

VILLAGE OF HANOVER PARK, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Eight-Month Period Ended December 31, 2014

VILLAGE OF HANOVER PARK, ILLINOIS

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FINANCIAL REPORT

For the Eight-Month Period Ended
December 31, 2014

Prepared by Department of Finance

Marilyn J. Clarke
Assistant Finance Director

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Hanover Park including:

- List of Principal Officials
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting
- Letter of Transmittal

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2014

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig, President

William Cannon

Jon Kunkel

James Kemper

Rick Roberts

Jenni Konstanzer

Edward J. Zimel, Jr.

Eira Corral, Clerk

ADMINISTRATIVE

Juliana Maller, Manager

FINANCE DEPARTMENT

Marilyn J. Clarke
Assistant Finance Director

Village of Hanover Park – Table of Organization





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Village of Hanover Park
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO



Village of Hanover Park Administration

Municipal Building
2121 Lake Street
Hanover Park, IL 60133-4398

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FAX 630-823-5786
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PRESIDENT
RODNEY S. CRAIG

VILLAGE CLERK
EIRA CORRAL

TRUSTEES
WILLIAM CANNON
JAMES KEMPER
JON KUNKEL
HERB PORTER
RICK ROBERTS
EDWARD J. ZIMEL, JR.

VILLAGE MANAGER
JULIANA A. MALLER

June 15, 2015

The Honorable Village President
Village Board of Trustees and Village Manager
Village of Hanover Park, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ending December 31, 2014 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally accepted auditing standards (GAAS), include all of the accounts and funds of the Village, and be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending December 31, 2014. Since the Village has converted its fiscal year to a calendar year, this report represents the 8 month stub-year of this transition.

The financial report consists of management's representations concerning the finances of the Village of Hanover Park. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Hanover Park's financial statements in accordance with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the Village's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion

on the Village's financial statements for the year ending December 31, 2014. The independent auditor's report is located in the beginning of the financial section of this report. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Village of Hanover Park

The Village of Hanover Park was incorporated in 1958 and operates under the Counsel-Manager form of government. The Village is a home-rule community as defined by the Illinois State Constitution. The Village is a residential community, with 99.36 miles of streets, located approximately 30 miles northwest of downtown Chicago and encompasses an area of approximately 7 square miles, with 2.75 square miles within Cook County and 4.25 miles within DuPage County. The Village's population, per the 2010 census, is 37,973.

Policy-making and legislative authority are vested with the Village Board, which consists of the Village President and six Trustees. This governing body is responsible for, among other things, passing ordinances and resolutions, adopting the annual budget, appointing committees, and appointing the Village Manager. The Village Manager is responsible for implementing the policies and ordinances of the Village, for overseeing the day-to-day operations of the Village, and for appointing the Village's department heads. The Village Board is elected on a nonpartisan, at-large basis. Village Trustees are elected to four-year staggered terms. The Village President is also elected to a four-year term.

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot. In December 2011, the Village purchased the Hanover Square Shopping Center along Barrington Road. A management company specializing in shopping centers was hired by the Village to run operations on behalf of the Village. Monthly meetings between the management company and the Village are held to report financial statements as well as receive updates on the center. On January 1, 2013, the Village entered into a 39 year lease for the Metropolitan Water Reclamation District (MWRD) land also located along Barrington Road. The lease was entered in an effort to provide youth programming and visual improvements for the site.

The annual budget serves as the foundation for the Village's financial planning and control. All departments annually submit their budget requests for the upcoming fiscal year to the Budget Team. The Village Manager and staff review these budget requests and develop a budget to match anticipated revenues. The Village Manager's proposed budget is presented to the Village Board in a series of workshops.

On October 3, 2013, the Village board approved the conversion of the Village's fiscal year. The May 1 to April 30 Fiscal Year was changed to a calendar year, beginning with the Calendar Year 2015 Budget. As part of the conversion, the Village created an eight month stub-year budget named Fiscal Year 2014B beginning on May 1, 2014 and commencing on December 31, 2014. The Village Board is required to hold a public hearing on the proposed budget, and a final budget going forward must be adopted by the Village Board by December 31st of each fiscal year. The legal level of budgetary control is at the fund level.

The Village Manager is authorized to make budget transfers within any fund. Additions and transfers between funds require Village Board approval. Original and final amended budget-to-actual comparisons are provided for each individual governmental fund for which an annual budget has been adopted. The general and major special revenue fund comparisons are included in the required supplementary information. Other governmental fund comparisons are presented in the Non-major Governmental Funds subsection of this report.

There were 196 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2014B annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters, and Public Works employees.

Local Economy

Over 400 businesses are located in the Village of Hanover Park. There are more than 4,000,000 square feet of business park development located in three industrial areas within the Village and 23 shopping centers ranging in size from 6,000 to 200,000 square feet. Numerous food establishments are located within the Village including family friendly, ethnic, and fast food restaurants.

Promotion of the Church Street Station mixed use development continued. In 2014, all of the 126 townhomes were completed. Two of the commercial lots were sold, including one commercial building. The new owner is promoting vacant spaces for lease.

Another significant impact to the Village during the year was the opening and remodeling of Harbor Freight. Though it did not open until the very end of Fiscal Year 2014, it still shows the Village signs of new business growth in town. Drastic changes in visual improvements to the site were completed, creating a more positive look. Both the visual look and increases in Sales Tax revenue have been seen beginning with Fiscal Year 2014B.

Over the past several years, the United States economic recovery has been slow but steady. The Village has seen its revenue base also improve at a very slow pace.

The comparison of the following key revenues is skewed due to the Village changing to a calendar fiscal year resulting in the revenues only representing an eight month period.

- Property tax revenues totaled \$8,672,223 for the eight month fiscal period. The property tax revenue for Fiscal Year 2014 was \$10,766,348. The property tax receipts for Fiscal Year 2014B did come in 2.4% higher than anticipated.
- Municipal sales tax revenues totaled \$3,723,114 for the eight month fiscal period, which was a 1.3% increase over the same eight month period in Fiscal Year 2014.
- Home rule sales tax revenues totaled \$2,524,471 for the eight month fiscal period which was an 11.2% increase over the same eight month period in Fiscal Year 2014. The primary reason for the increase in revenues was an increase in the home rule sales tax rate that went into effect on July 1, 2013.
- Simplified telecommunications tax revenues for the eight month fiscal period declined by 17.5%, compared to the same eight month period in Fiscal Year 2014, continuing the ongoing decline in this revenue source.
- Utility tax revenues, electric use and natural gas use, totaled \$733,232 for the eight month fiscal period which was a 195.6% increase over the same eight month period in Fiscal Year 2014. The large increase was due to an increase in the utility tax rate for electricity that went into effect on June 1, 2014.
- The prepared food tax revenues totaled \$732,613 for the eight month fiscal period, which was a 2.3% increase over the same eight month period in Fiscal Year 2014.

The Village's equalized assessed valuation decreased by \$9.1 million, or 1.68%, from \$542.4 million in the 2013 levy year to \$533.3 million in the 2014 levy year. This decrease is primarily due to the property reassessments which were completed in 2014 and an overall continuing decline in the value of properties within the Village. The rate of decline in assessed value has slowed due to stabilizing property values and the beginning of a recovery in the local real estate market.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>% Increase</u>
2005	\$656,485,204	\$39,304,839	6.37%
2006	\$687,946,444	\$31,461,240	4.79%
2007	\$746,188,021	\$58,241,577	8.47%
2008	\$789,204,793	\$43,016,774	5.76%
2009	\$810,756,275	\$21,551,482	2.73%
2010	\$743,653,328	(\$67,102,947)	(8.28%)
2011	\$695,936,302	(\$47,717,036)	(6.42%)
2012	\$626,685,617	(\$69,250,685)	(9.95%)
2013	\$542,401,799	(\$84,283,818)	(13.45%)
2014	\$533,303,999	(\$9,097,800)	(1.68%)

Long-Term Financial Planning and Relevant Financial Policies

The unrestricted, unassigned fund balance of the General Fund continues to exceed 25.0% of the subsequent year’s budgeted expenditures which is the policy established by the Village Board to provide financing for unanticipated expenditures and accommodate shortfalls in revenues. The unrestricted fund balance has increased \$2,568,342, primarily due to tax revenues coming in \$1.275 million higher than the budget combined with a decrease in personal services and the timing of some capital expenditures.

<u>Fiscal Year Ended</u>	<u>Unreserved Fund Balance</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Percent</u>
April 30, 2006	\$8,205,924	\$21,434,564	38.28%
April 30, 2007	\$9,045,003	\$23,638,981	38.26%
April 30, 2008	\$7,849,607	\$24,336,641	32.25%
April 30, 2009	\$7,920,285	\$24,275,288	32.63%
April 30, 2010	\$7,492,166	\$23,554,950	31.80%
April 30, 2011	\$7,831,351	\$25,498,295	30.71%
April 30, 2012	\$7,773,523	\$27,776,277	27.99%
April 30, 2013	\$8,473,882	\$29,754,222	28.45%
April 30, 2014	\$11,611,884	\$29,754,222	39.03%*
Dec. 31, 2014B	\$14,180,226	\$31,687,433	44.75%

*Fund balance percent is calculated based on Fiscal Year 2014 budgeted expenditures due to the fiscal year conversion. The Fiscal Year 2014B budgeted expenditures are significantly lower due to a shortened eight-month stub year.

The Village has a “pay-as-you-go” philosophy in financing capital projects. The use of the General Capital Projects Fund and Central Equipment Fund has assisted the Village in the planned replacement of capital assets. Monies are set aside in these funds annually to cover the cost of planned capital purchases and improvements.

The Village prepares a five-year Capital Improvement Program (CIP) that is incorporated into the annual budget each year. The CIP is a multi-year planning instrument used to identify needed capital projects for improvements to Village buildings, equipment and infrastructure and capital equipment purchases, and to coordinate the financing and timing of these improvements. For the Fiscal Year 2014 Budget, the Village enhanced the CIP and included all five years in the budget document. Going forward, each year the CIP will be updated to incorporate new capital projects, changing goals and priorities, and additional funding sources.

Major Initiatives

The Village of Hanover Park continues to manage its fiscal operations well and operate cost effectively in Fiscal Year 2014B. The Village, with its budgeted full-time staffing of 196, serves its citizens with 5.1 full-time employees per 1,000 in population. Implementation of the Village's Strategic Plan during the fiscal year reflects the Village's continued commitment to its citizens that the Village is a desirable place to live, work, and transact business and includes:

- On January 1, 2013, the Village entered into a 39 year lease for the MWRD land located on the Hanover Park Water Reclamation District Plant off of Barrington Road for public and recreational use. This lease was entered into in an effort to ensure that affordable youth programming will continue to be provided, as well as allow for visual improvements to the site. During Fiscal Year 2014B the Village worked with the local baseball and football teams to establish user agreements and to make improvements to the site. The Board determined that they would like to use revenue from video gaming to fund site improvements. Staff also began discussions with a potential new user for the vacant rear portion of the property.
- As part of the goal to improve the look of its appearance, the Village purchased the Hanover Square Shopping Center in Fiscal Year 2012. Since then, major improvements have taken place including the purchase and demolition of the vacant 'old Shires' building at 6794 Barrington, demolition of the 'old hot dog stand' at 6784 Barrington Road, and construction of a new monument sign to promote the center and tenants. In Fiscal Year 2014B, a large buildout was performed for the over 10,000 square foot Education and Work Center (Harper College, Elgin Community College & WorkNet). Additionally, over 2,300 square feet of roofing was replaced at the center. Following issuance of an RFP, the Village entered into negotiations with a developer for sale and redevelopment of the center. The developer's proposal includes installation of a new façade, buildout of over 24,000 square feet for a new tenant, new parking lot, lighting, and landscaping, and buildout of additional tenant spaces. Following approval of an RDA and operating agreement for a public-private partnership with the developer, construction is expected to begin in Fiscal Year 2015.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hanover Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending April 30, 2014. This was the 24th consecutive fiscal year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the Village must publish an easily-readable and efficiently-organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2014 budget document. This was also the 23rd consecutive year the Village received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's document was judged to be proficient in several categories, including a policy document, a financial plan, an operational guide, and a communication device.

The preparation of this CAFR on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department. I express my sincere appreciation to each member of the Finance Department for their contributions made in the timely preparation of this document.

Finally, appreciation is expressed to the Village President and the Village Board of Trustees for their assistance in planning and conducting the fiscal affairs of the Village in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Juliana Maller". The signature is fluid and cursive, with a large initial "J" and "M".

Juliana Maller
Village Manager

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Hanover Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the eight months ended December 31, 2014, and the related notes to financial statements, which collectively comprise the Village'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 Village'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 Village'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, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the eight months then ended in conformity 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 and other required supplementary information 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 Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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.

Naperville, Illinois
June 12, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Hanover Park, Illinois
Management's Discussion And Analysis
December 31, 2014

The Village of Hanover Park (the Village) Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently-known facts, please read it in conjunction with the Transmittal Letter and the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The Village changed its year end to a calendar year and, therefore, this report covers only an eight-month period.
- The assets of the Village exceeded its liabilities and deferred inflows at December 31, 2014 (FY 2014B) by \$108,645,058 (net position). Of this amount, \$26,257,681 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$4,428,619 during the period.
- The governmental activities net position increased by \$2,897,670 to \$71,590,683. The governmental activities unrestricted net position increased \$2,637,422 to \$17,292,137.
- The business-type activities net position increased by \$1,530,949 to \$37,054,375.
- The Village's combined governmental funds ending fund balance increased by \$1,753,766 to \$19,461,745 as of December 31, 2014.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$14,180,226 or 44.75% of General Fund Fiscal 2014B annualized budgeted expenditures and other financing uses.
- The Village's total long-term debt, including net pension obligation and compensated absences liability, decreased by \$1,191,452 to \$23,364,292 during the current period.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Hanover Park's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and

business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving.

The Statement of Activities presents information showing how the Village's net position changed during the most recent period and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. 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 result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village 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 charges (business-type activities). The governmental activities reflect the Village's basic services, including police, fire, public works, highways and streets, community development, and general government. Property taxes, shared state sales taxes, local utility taxes, shared state income taxes, home rule sales taxes, and food and beverage taxes finance the majority of these activities. The business-type activities reflect private sector-type operations (Water and Sewer Fund, the Municipal Railroad Parking Lot Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation. The business-type activities also reflect a public shopping center (Hanover Square Shopping Center Fund) in which rental income covers all or most of the cost of operation. The government-wide financial statements can be found on pages 3-5 of the report.

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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the period. Such information may be useful in evaluating a government'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 Village'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 this comparison between governmental funds and governmental activities.

The Village maintains 15 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Motor Fuel Tax, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Village adopts an annual budget for each governmental fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 6-9 of this report.

Proprietary Funds

The Village maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in business-type activities in the Government-Wide Financial Statements. The Village uses enterprise funds to account for its Waterworks and Sewerage, Municipal Railroad Parking Lot and Hanover Square Shopping Center activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its vehicle replacement program. Internal Service Funds predominantly serve governmental rather than business-type functions and are included with governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Fund and the Hanover Square Shopping Center Fund are considered major funds of the Village and are presented in separate columns in the Fund Financial Statements. The Municipal Railroad Parking Lot Fund is the Village's non-major enterprise fund. The Internal Service Fund is shown as a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the Municipal Railroad Parking Lot and Hanover Square Funds and the Internal Service Fund is presented elsewhere in the report. The basic proprietary fund financial statements can be found on pages 10-13 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The Fiduciary Funds include the Police Pension Fund and Firefighter Pension Fund. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 14-15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 16-61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets exceeded its liabilities by \$108,645,058 as of December 31, 2014. The largest portion of the Village's net position reflects its investment in capital assets (\$77,551,433 or 71.4%), including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village'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 of the Village's net position (\$4,835,944 or 4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$26,257,681 or 24.2%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities.

The Village's combined net position increased by \$4,428,619 as a result of the governmental activities increasing \$2,867,600 and business-type activities increasing \$1,530,949.

The net position of business-type activities totaled \$37,054,375, an increase of 4.3% from Fiscal Year 2014. The increase is primarily due to a capital contribution to the Hanover Square project.

The unrestricted net position of \$8,965,544 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its shopping center and commuter parking programs. For more detailed information see the Statement of Net Position on page 3.

**Village of Hanover Park, Illinois
Management's Discussion And Analysis
December 31, 2014**

The following table reflects the condensed Statement of Net Positions:

Village of Hanover Park						
Statement of Net Position as of December 31, 2014 (FY 2014B)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014B	2014	2014B	2014	2014B	2014
Assets						
Current and Other Assets	\$ 41,691,290	\$ 35,607,192	\$ 10,411,817	\$ 10,359,448	\$ 52,103,107	\$ 45,966,640
Capital Assets	69,063,393	69,220,781	29,156,479	28,225,709	98,219,872	97,446,490
Total Assets	110,754,683	104,827,973	39,568,296	38,585,157	150,322,979	143,413,130
Liabilities						
Current Liabilities	3,451,167	2,823,752	1,235,452	1,537,420	4,686,619	4,361,172
Long-Term Liabilities	22,085,823	23,064,189	1,278,469	1,524,311	23,364,292	24,588,500
Total Liabilities	25,536,990	25,887,941	2,513,921	3,061,731	28,050,911	28,949,672
Deferred Inflows						
Unavailable Property Taxes	13,627,010	10,247,019	-	-	13,627,010	10,247,019
Total Liabilities and Deferred Inflows	39,164,000	36,134,960	2,513,921	3,061,731	41,677,921	39,196,691
Net Position						
Net Investment in						
Capital Assets	49,462,602	48,743,363	28,088,831	26,941,735	77,551,433	75,685,098
Restricted	4,835,944	5,294,935	-	-	4,835,944	5,294,935
Unrestricted	17,292,137	14,654,715	8,965,544	8,581,691	26,257,681	23,236,406
Total Net Position	\$ 71,590,683	\$ 68,693,013	\$ 37,054,375	\$ 35,523,426	\$ 108,645,058	\$ 104,216,439

Changes in Net Position

Governmental Activities

Governmental activities net position increased by \$2,897,670 from \$68,693,013 in Fiscal Year 2014 to \$71,590,683 in Fiscal Period 2014B. Key elements contributing to this net change are as follows:

Revenues

Due to the eight month transitional fiscal year for Fiscal Year ended December 31, 2014, year to year comparisons are not appropriate. Revenues and transfers (in) exceeded expenses by \$2,867,600. Property taxes continue to be the Village's largest revenue source totaling \$11,423,311 and representing 48.8% of total governmental activity revenue. Other Taxes, including sales tax, utility tax, food and beverage tax, hotel tax, and real estate transfer tax total \$9,255,141 or 39.5% of the total governmental activities revenues. Intergovernmental revenues, including State Income

Village of Hanover Park, Illinois
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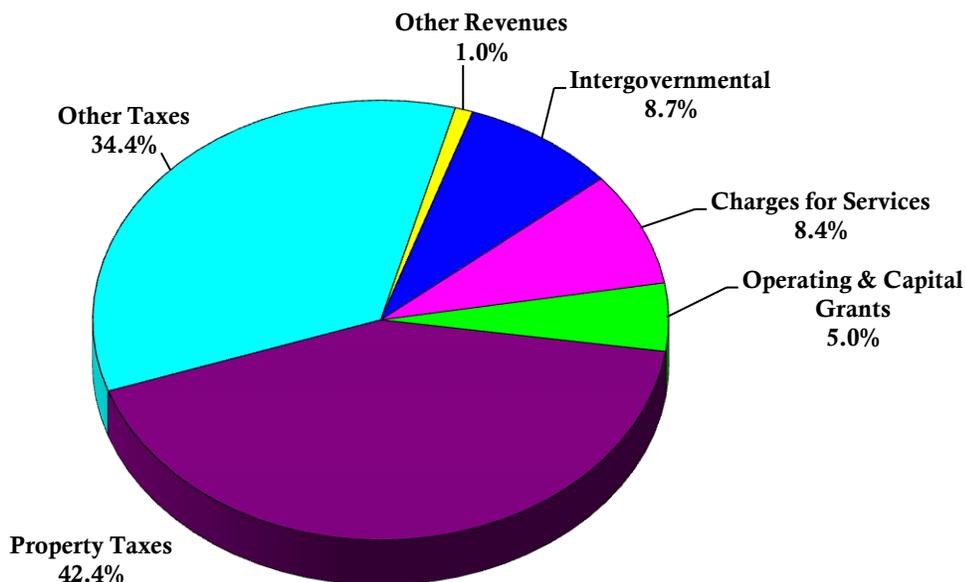
Tax and Replacement Tax, represent 10%. Due to the timing of revenues received during the eight month fiscal year, the percentages may be skewed from a normal fiscal year.

Village of Hanover Park						
Changes in Net Position for the Eight Month Ended December 31, 2014 (FY 2014B)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2014B	2014	2014B	2014	2014B	2014
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 2,292,166	\$ 3,508,926	\$ 7,916,437	\$ 12,159,194	\$ 10,208,603	\$ 15,668,120
Operating Grants	1,082,681	1,343,393	-	-	1,082,681	1,343,393
Capital Grants	274,286	266,197	-	180,126	274,286	446,323
General Revenues						
Property Taxes	11,423,311	13,729,431	-	-	11,423,311	13,729,431
Other Taxes	9,255,141	12,314,202	-	-	9,255,141	12,314,202
Intergovernmental	2,335,241	3,700,323	-	-	2,335,241	3,700,323
Other Revenue	273,629	267,347	597,154	18,904	870,783	286,251
Total Revenues	26,936,455	35,129,819	8,513,591	12,358,224	35,450,046	47,488,043
Expenses						
General Government	2,111,972	4,297,802	-	-	2,111,972	4,297,802
Public Works	2,876,529	4,211,656	-	-	2,876,529	4,211,656
Public Safety	12,928,235	18,224,677	-	-	12,928,235	18,224,677
Community Development	1,858,421	681,395	-	-	1,858,421	681,395
Highways and Streets	2,276,624	3,522,824	-	-	2,276,624	3,522,824
Interest	976,489	1,076,381	-	-	976,489	1,076,381
Water and Sewer	-	-	7,265,389	9,998,473	7,265,389	9,998,473
Commuter Parking Lot	-	-	202,907	387,584	202,907	387,584
Hanover Square	-	-	524,861	694,530	524,861	694,530
Total Expenses	23,028,270	32,014,735	7,993,157	11,080,587	31,021,427	43,095,322
Change in Net Position before Transfers	3,908,185	3,115,084	520,434	1,277,637	4,428,619	4,392,721
Net Transfers	(1,010,515)	421,795	1,010,515	(421,795)	-	-
Change in Net Position	2,897,670	3,536,879	1,530,949	855,842	4,428,619	4,392,721
Net Position, May 1	68,693,013	65,156,134	35,523,426	34,667,584	104,216,439	99,823,718
Net Position, EOY*	\$ 71,590,683	\$ 68,693,013	\$ 37,054,375	\$ 35,523,426	\$ 108,645,058	\$ 104,216,439

*EOY is December 31 for 2014B, April 30 for 2014

Although year to year comparisons cannot be made due to the variability of the receipt of various revenues during a calendar year, generally revenues have increased due to the following factors. Property tax levy was increased by 4.9% and 2014B had a full fiscal year of the increased home rule sales tax that began in July, 2013. Also, water and sewer rates were increased which resulted in additional revenue for that fund. And, the overall local and state economy continues to improve which resulted in an increase in intergovernmental revenue such as the income tax and real estate transfer tax revenue.

**Village of Hanover Park
 2014B Governmental Activities
 Percentage of Revenues by Type**



**Village of Hanover Park
 Changes in Select Governmental Activities Revenues**

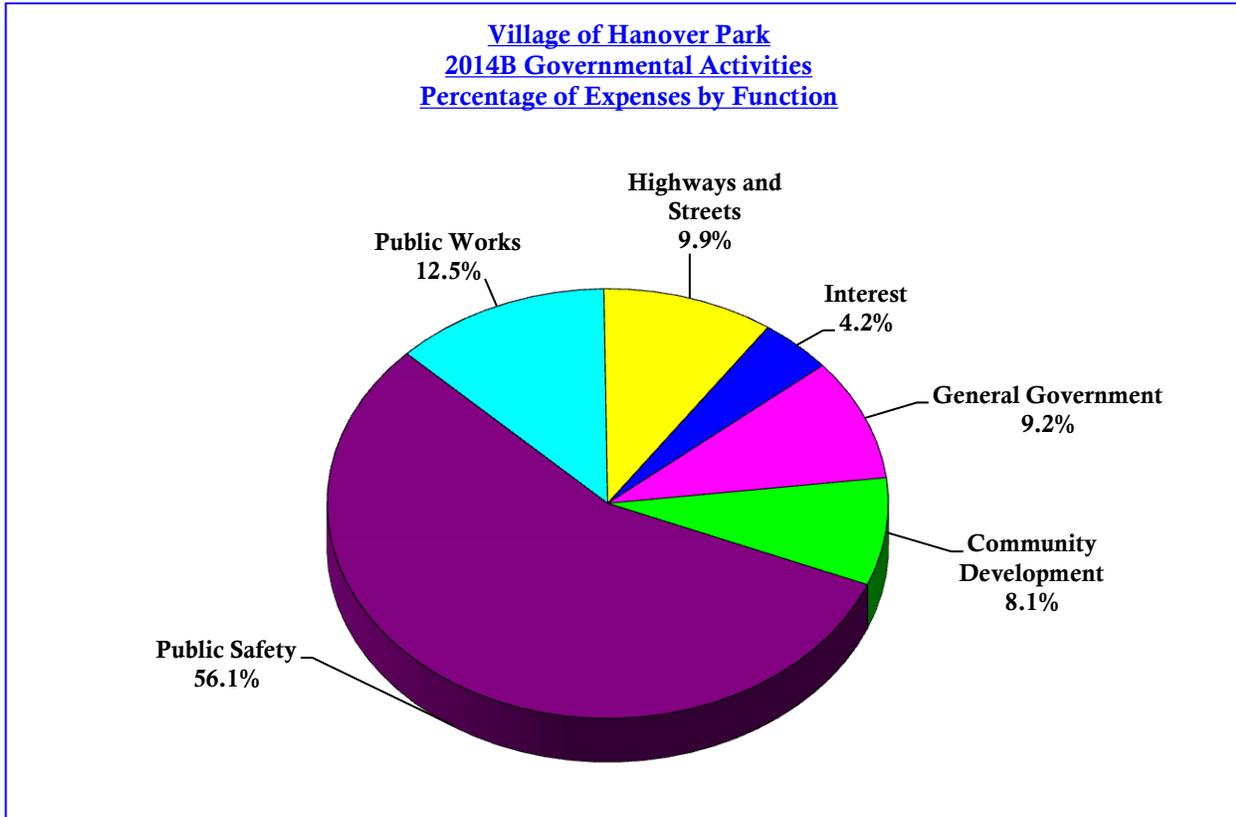
	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2014	2014B*		
Sales and Use Tax	\$ 9,248,795	\$ 10,189,209	\$ 940,414	10.2%
State Income Tax	3,700,323	3,502,862	(197,462)	-5.3%
Utility Taxes	1,588,171	1,829,400	241,229	15.2%
Real Estate Transfer Tax	254,394	1,499,621	1,245,227	489.5%

*Annualized by multiplying by 1.5

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Expenses

For the eight month fiscal period ended December 31, 2014, expenses from governmental activities totaled \$23,028,270. Comparison to the prior year is difficult due to the change in fiscal year.



**Village of Hanover Park
Changes in Select Governmental Activities Expenditures**

	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2014	2014B*		
General Government	\$ 4,297,802	\$ 3,167,958	\$ (1,129,844)	-26.3%
Community Development	\$ 681,395	\$ 2,787,632	2,106,237	309.1%
Public Safety	\$ 18,224,677	\$ 19,392,353	1,167,676	6.4%
Public Works	\$ 4,211,656	\$ 4,314,794	103,138	2.4%
Highways & Streets	3,522,824	3,414,936	(107,888)	-3.1%
Interest	1,076,381	976,489	(99,892)	-9.3%
Total Expenditures	32,014,735	34,054,161	2,039,426	6.4%

*Annualized by multiplying by 1.5 (except Interest which is comparable)

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Business-Type Activities

Business-type activities net position increased \$1,530,949 to \$37,054,375. Key elements of this net change are as follows:

Revenues

Water Revenue was \$4,978,209 for the eight month period. Sewer Service revenues were \$1,819,556 for the eight month period. The Village continued the treatment of leachate from an IEPA regulated landfill that closed in 1999. The landfill is adjacent to our wastewater treatment plant. Fiscal year 2014B revenues from this source were \$188,373 which is an increased rate from the prior year due to an increase in the volume of leachate being treated. Interest revenue increased for the period due to higher investable assets from \$10,428 to \$10,957.

Operating revenues for the Municipal Railroad Parking Lot Fund exceeded operating expenses by \$63,288 or 24% of revenue. Generally, the fund continues to show signs of increased commuter utilization of the train as a primary mode of transportation.

Hanover Square rental and other income amounted to \$560,678 for the eight month period. The revenues were relatively stable for the period due to tenant stability. TIF #3 contributed \$1,135,765 in capital to provide for needed capital improvements on the shopping center's roof which was completed during the year.

<u>Village of Hanover Park</u> <u>Business-Type Activities Operating Revenues & Expenses</u>				
	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Net Income/(Loss)</u>	<u>% of Revenues</u>
Waterworks & Sewerage	\$ 7,089,864	\$ 7,265,389	\$ (175,525)	-2.5%
Municipal Railroad Parking Lot	265,895	202,907	62,988	23.7%
Hanover Square	560,678	524,861	35,817	6.4%
Total Business-Type Activities	\$ 7,916,437	\$ 7,993,157	(76,720)	-1.0%

Expenses

Operating expenses from all business-type activities totaled \$7,993,157. Overall expenses exceeded revenue during the period by \$76,720 primarily due to the Water and Sewer Fund.

Operating revenues exceeded operating expenses in the Commuter Lot by \$62,988. This was due to a combination of higher use of the facility by commuters and the eight month period excluding the most severe winter months which generally increase expenses due to snow and ice removal in the lots.

Operating Revenues in the Waterworks and Sewerage Fund were below operating expenses. This continues a general trend, interrupted last year, over the past few years where operating expenses have exceeded the operating revenues within the Waterworks and Sewerage Fund with the intent of the Village to utilize Fund reserves and to prevent the residents from dramatic increases in water rates. During Fiscal Year 2012, the City of Chicago increased its water rates, pushing the increase through JAWA, the Village's water supplier. Due to keeping the rates lower in previous years and utilizing excess reserves, the Village couldn't absorb Chicago's increase and a new water rate study was done in January 2012 to determine a new water rate increase structure to offset these increased costs. Once the new water rate structure was in place, the operating revenues began to increase. There are scheduled increases taking place annually to offset the rise

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in the wholesale cost of water and address the need for infrastructure maintenance and replacement.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal period, the governmental funds reflect a combined fund balance of \$19,461,745, an increase of \$1,753,766 from the prior fiscal year. Of the total fund balance, \$13,696,133 is unassigned indicating availability for continuing Village services. \$556,466 of the total governmental fund balance is considered to be non-spendable for prepaid expense, inventories and advances. \$246,354 remaining of fund balance is restricted for Public Safety.

**General Fund
Comparison of the Results of Operations and the
Unreserved/Unrestricted Fund Balance Fiscal Years 2013-2014B**

	<u>2013</u>	<u>2014</u>	<u>2014B</u>
Revenues and Transfers	\$ 27,173,004	\$ 30,627,230	\$ 22,687,944
Expenditures and Transfers	27,019,834	27,935,787	20,812,684
Results of Operations	153,170	2,691,443	1,875,260
Fund Balance - Beginning	10,016,819	\$10,169,989	\$12,861,432
Fund Balance - Ending	\$10,169,989	\$12,861,432	\$14,736,692
Reserved/Nonspendable and Restricted	\$1,696,107	1,249,548	556,466
Unrestricted/Unassigned	8,473,882	11,611,884	14,180,226
Total Fund Balance	\$10,169,989	\$12,861,432	\$14,736,692
Unreserved Fund Balance as a			
Percentage of Budgeted Expenditures*	28.48%	39.03%	44.75%

*2014B Fund Balance % is of annualized budget expenditures

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the General Fund increased \$1,875,260 to \$14,736,692, of which \$14,180,226 is the unrestricted amount. The increase is due primarily to higher than expected sales-related taxes offset by lower than expected expenditures, primarily in the Street

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function due to the short year not including the major winter snow removal costs. Other lower than expected costs were incurred in personnel costs in the general administrative due to position vacancies. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is available for capital expenditure items as determined by the Village Board. Above is a chart showing a history of the General Fund unrestricted/unassigned fund balance.

The bond funds showed decreases in fund balance due to planned drawdowns that allowed for a partial abatement of the property tax levy associated with these debt issues.

Special Service Area (SSA) #5 that covers the Greenbrook Tanglewood subdivision experienced an increase in fund balance of \$137,752. Significant capital improvements are being completed in this special service area including a multi-year lighting project that will continue over the next couple years.

Proprietary Funds

As of December 31, 2014 the Enterprise Funds total net position increased by \$1,528,263 or 4.3% to \$37,051,689. Water Sales were higher, mainly due to planned water rate increases. Other charges for services increased as well to account for the increase in net position.

Village of Hanover Park				
Waterworks and Sewerage Fund Revenues				
	Fiscal Year		Increase (Decrease)	% Increase Decrease
	2014	2014B*		
Water Sales	\$ 7,844,165	\$ 7,467,314	\$ (376,852)	-4.8%
Sewer Sales	2,649,219	2,729,334	80,115	3.0%
Leachate Treatment	212,134	303,656	91,522	43.1%
Interest	8,073	16,436	8,363	103.6%
Other Revenues	382,216	968,009	585,793	153.3%
Total	<u>\$ 11,095,807</u>	<u>\$ 11,484,747</u>	<u>\$ 388,940</u>	<u>3.5%</u>

*Although not comparable due to seasonal factors, all revenues annualized by 1.5x

The Municipal Railroad Parking Lot Fund actual revenues exceeded actual expenditures in Fiscal Year 2014B. Total operating revenues were \$265,895 versus \$202,907 in operating expenditures. The overall net position in this fund on December 31, 2014 increased \$63,102 from the prior year.

Hanover Square Shopping Center Fund was created during Fiscal Year 2012 with the purchase of the Shopping Center. Revenues amounted to \$560,678 in Fiscal Period 2014B with the majority coming from rental income. This source was stable during the period. Operating expenditures also remained relatively stable at \$524,861. A major repair to the roof was funded through a transfer in from TIF #3 of \$1,135,765. Primarily due to this transfer, the change in net position during the

year increased by \$1,173,365, leaving the Fiscal Period 2014B ending net position at \$4,229,543. This net position lies mainly in the value of the shopping center real estate.

Internal Service Funds

The net position of this fund increased because of the increased funding levels from the General Fund and the Water and Sewer Fund offset by an increase in capital outlay from the prior year. Several purchases budgeted in the prior year were received after April 30 and are included in the total expenses. These two factors resulted in operating revenues exceeding expenses by \$384,855. The General Fund and Waterworks & Sewerage continues to fund the Central Equipment Fund. Inter-fund transfers of \$1,380,536 were made into the fund throughout the year and \$995,681 was spent on equipment purchases. After GAAP basis adjustment, the net position of the fund increased \$601,834 from \$7,325,519 to \$7,927,353.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues were \$1,553,983 more than the final budgeted amounts. Overall, tax revenues, including property, sales, real estate and utility taxes, exceeded the final budget by a total of \$1,282,031. Property tax revenues were slightly over budget due to the timing of property tax receipts. Going forward, the property tax levy and revenues collected will coincide with the fiscal year and relieve the problem of deferred revenue and receiving the tax levy over two fiscal years. Municipal and Home Rule Sales Tax revenues were \$639,820 more than the budgeted amount, which reflects a stronger local economic recovery than anticipated. As another economic related indicator, Real Estate Transfer Tax revenues were \$157,075 (to \$333,249) over the budgeted amount and Food and Beverage Revenues were \$49,453 (to \$732,613) more. Income Tax revenues missed the budgeted amount by \$4,704 (to \$2,335,241). This likely reflects the payment processing of the State rather than a reflection of the state economy which generally is also improving.

Expenditures within the General Fund were \$623,516 or 3.1% less than the final budgeted amount. Throughout the period, the revenues are examined to see where they are trending at. Revenues were initially trending less than previous years. To be more fiscally responsible and to reflect reduced revenues, all Departments/Divisions within the General Fund reduced remaining Fiscal Year expenditures including Human Resources, Information Technology, Finance, Public Works and Fire Departments. Open positions were left intentionally unfilled for a period of time and contractual services and capital projects were delayed unless absolutely necessary. Towards the end of the period, when revenues began trending higher than the budgeted amounts, staff remained fiscally responsible, causing a significant increase in the Village's General Fund unrestricted fund balance. The General Fund and Water and Sewerage Fund reimburse the General Capital Projects Fund for budgeted purchases. Expenditures within the General Capital Projects were postponed throughout the period depending on the revenue trends, which reduced costs within the General Fund.

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<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2014B	2014B	Actual	
	Original Budget	Final Budget	2014B*	2014
Revenues	\$ 21,146,961	\$ 21,133,961	\$ 22,687,944	\$ 30,627,230
Expenditures	20,360,656	20,354,426	19,730,910	26,913,281
Excess of Revenues over Expenditures	\$ 786,305	\$ 779,535	\$ 2,957,034	\$ 3,713,949
Other Financing Sources (Uses)	216,961	(758,319)	(1,081,774)	(1,022,506)
Net Change in Fund Balance	\$ 1,003,266	\$ 21,216	\$ 1,875,260	\$ 2,691,443

* 2014B is an eight month fiscal year

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, and infrastructure. The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$98,219,870. This amount represents a net increase (including additions and deductions) of \$773,380 from the prior year.

<u>Village of Hanover Park</u>						
<u>Capital Assets (Net of Depreciation)</u>						
	Governmental Activities		Business-Type Activities		Total	
	2014B	2014	2014B	2014	2014B	2014
Land	\$ 28,874,251	\$ 28,872,926	\$ 4,150,013	\$ 4,150,013	\$ 33,024,264	\$ 33,022,939
Construction in progress	173,826	173,826	399,425	399,425	573,251	573,251
Buildings	23,129,859	23,348,595	8,444,813	7,518,076	31,574,672	30,866,671
Improvements other than Buildings	1,977,509	2,021,168	5,648,895	5,811,207	7,626,404	7,832,375
Machinery and Equipment	5,534,307	5,102,056	1,446,447	1,512,575	6,980,754	6,614,631
Infrastructure	9,373,641	9,702,210	9,066,886	8,834,413	18,440,527	18,536,623
Total	\$ 69,063,393	\$ 69,220,781	\$ 29,156,479	\$ 28,225,709	\$ 98,219,872	\$ 97,446,490

Major capital asset events during the current fiscal year included the following:

- New police, public works, and fire vehicles were purchased.

**Village of Hanover Park, Illinois
Management's Discussion And Analysis
December 31, 2014**

- Renovations to Village Hall continued.
- Improvements have been made to the Hanover Square Shopping Center along Barrington Road.

The governmental activities net capital assets decreased from last year by \$157,389, primarily due to the increase in accumulated depreciation reducing the overall impact on net capital assets. Business-type activities net capital assets increased from last year by \$930,769 primarily due to building improvements added in Hanover Square. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements on pages 28-29.

Long-Term Debt

<u>Village of Hanover Park</u>						
<u>Outstanding Debt</u>						
<u>General Obligation Bonds, Revenue Bonds, Loans, and Notes</u>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014B</u>	<u>2014</u>	<u>2014B</u>	<u>2014</u>	<u>2014B</u>	<u>2014</u>
General Obligation Bonds	\$ 19,615,000	\$ 20,490,000	\$ -	\$ -	\$ 19,615,000	\$ 20,490,000
IEPA Loan	-	-	1,067,648	1,283,974	1,067,648	1,283,974
Total	<u>\$ 19,615,000</u>	<u>\$ 20,490,000</u>	<u>\$ 1,067,648</u>	<u>\$ 1,283,974</u>	<u>\$ 20,682,648</u>	<u>\$ 21,773,974</u>

The Village currently has three general obligation bond series and two Illinois EPA loan series outstanding. The Village's total outstanding debt, excluding the net pension obligation and compensated absences liability, decreased by \$1,091,326 or 5.0% compared to the prior fiscal year. The key factor in this decrease was due to scheduled principal payments. No additional debt was incurred during Fiscal Year 2014B.

The Village, under its home rule authority, does not have a legal debt limit. The Village has a bond rating of AA from Standard & Poor's which was last affirmed in October, 2011. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 31-34.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village of Hanover Park has changed its fiscal year. Previously, the Village's fiscal year began on May 1st and ended on April 30th. Beginning on May 1, 2014, the Village created a shortened stub year, Fiscal Year 2014B to transition to a calendar year basis fiscal year. Fiscal period 2014B began on May 1, 2014 and ended on December 31, 2014. Going forward, calendar year 2015 will initiate the new converted process.

The Village's composition is primarily residential with a smaller commercial component. The commercial component of the Village includes building material sales, grocery stores, restaurants, and other retail businesses. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. Other tax revenues, including municipal and home-rule sales tax is expected to continue to increase in Fiscal year 2015 due to a new hardware business opening in late Fiscal Year 2014 and generally continued strength in the local economy. State income tax revenue is expected to remain relatively constant although the continuation of this source is subject to the state legislature as it confronts its budget crisis.

Real estate transfer tax revenues are expected to continue to slightly increase as the local real estate market sees recovery in both sales and prices. The number of real estate transfer stamps has increased this year and is expected to continue to increase, but the majority of the revenue generated will be at the lower exempt rate. Foreclosed homes and reduced sale prices have greatly affected this revenue, but it is anticipated over the next few years that the average price of residential homes will increase.

A water rate study was completed during Fiscal Year 2012 to evaluate the Village's water and sewer rate structure and provide recommended water and sewer rate alternatives which sufficiently fund future operating and capital needs. As a result of this study, an adjustment to water and sewer rates has been imposed which included a 22% increase in water rates on May 1, 2012, followed by an 18% increase on January 1, 2013 and a 15% increase on January 1, 2014. Fiscal Year 2014B did not include a water rate increase, but the final scheduled water rate increase of 15% will take effect on January 1, 2015. An increase in sewer rates was also applied during the same time from of 2.0% in January, 2012, 3.0% in January, 2013, and an additional 3.0% in January, 2014 and January, 2015. Commuter parking lot fee changes increased in October, 2012 and are \$1.50 for a daily parking fee or \$30 for a monthly parking pass. No additional increases for the Enterprise Funds are planned.

Budgeted expenditures include increases due to salary adjustments which are part of employee labor agreements. Employee health insurance and pension costs have increased over the last year; health insurance costs have stabilized due to participation in the IPBC pool but pension costs, particularly contributions to the police and fire pensions are expected to exceed inflation for the foreseeable future. Contractual Services expenditures are expected to increase with the mindset to work with consultants to help develop areas within the community, including additional Emerald Ash Borer tree removal/replanting and landscaping along the Village's signs and roadways.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Finance Director, Village of Hanover Park, 2121 Lake Street, Hanover Park, Illinois 60133.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

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

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 22,589,172	\$ 7,726,270	\$ 30,315,442
Receivables (net of allowances for uncollectibles)			
Property taxes	13,627,010	-	13,627,010
Accounts	3,988,138	2,376,944	6,365,082
Accrued interest	31,010	4	31,014
Other	-	310,231	310,231
Prepaid expenses	4,691	35	4,726
Inventory	20,152	-	20,152
Due from other governments	1,128,465	-	1,128,465
Due to/from other funds	1,667	(1,667)	-
Net pension asset	300,985	-	300,985
Capital assets			
Nondepreciable	29,048,077	4,549,438	33,597,515
Depreciable, net of accumulated depreciation	40,015,316	24,607,041	64,622,357
Total assets	110,754,683	39,568,296	150,322,979
LIABILITIES			
Accounts payable	1,113,548	1,040,876	2,154,424
Accrued payroll	545,519	33,554	579,073
Contractors' payable	8,216	29,721	37,937
Accrued interest	386,772	10,050	396,822
Deposits	-	8,625	8,625
Unearned revenue	168,671	92,120	260,791
Due to other governments	101,231	-	101,231
Other payables	1,078,196	20,506	1,098,702
Due to/from fiduciary funds	49,014	-	49,014
Long-term liabilities			
Due within one year	993,567	341,485	1,335,052
Due in more than one year	21,092,256	936,984	22,029,240
Total liabilities	25,536,990	2,513,921	28,050,911
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	13,627,010	-	13,627,010
Total deferred inflows of resources	13,627,010	-	13,627,010
Total liabilities and deferred inflows of resources	39,164,000	2,513,921	41,677,921
NET POSITION			
Net investment in capital assets	49,462,602	28,088,831	77,551,433
Restricted for			
Public safety	246,354	-	246,354
Highways and streets	1,954,045	-	1,954,045
Debt service	204,857	-	204,857
Community development	2,026,603	-	2,026,603
Special service areas	404,085	-	404,085
Unrestricted	17,292,137	8,965,544	26,257,681
TOTAL NET POSITION	\$ 71,590,683	\$ 37,054,375	\$ 108,645,058

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Eight-Month Period Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,111,972	\$ 769,081	\$ 10,360	\$ -
Community development	1,858,421	42,531	-	-
Public safety	12,928,235	1,286,735	49,760	-
Public works	2,876,529	193,819	-	272,711
Highways and streets	2,276,624	-	1,022,561	1,575
Interest	976,489	-	-	-
Total governmental activities	23,028,270	2,292,166	1,082,681	274,286
Business-Type Activities				
Water and sewer	7,265,389	7,089,864	-	-
Parking	202,907	265,895	-	-
Hanover Square	524,861	560,678	-	-
Total business-type activities	7,993,157	7,916,437	-	-
TOTAL PRIMARY GOVERNMENT	\$ 31,021,427	\$ 10,208,603	\$ 1,082,681	\$ 274,286

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (1,332,531)	\$ -	\$ (1,332,531)
	(1,815,890)	-	(1,815,890)
	(11,591,740)	-	(11,591,740)
	(2,409,999)	-	(2,409,999)
	(1,252,488)	-	(1,252,488)
	(976,489)	-	(976,489)
	<u>(19,379,137)</u>	<u>-</u>	<u>(19,379,137)</u>
	-	(175,525)	(175,525)
	-	62,988	62,988
	-	35,817	35,817
	<u>-</u>	<u>(76,720)</u>	<u>(76,720)</u>
	<u>(19,379,137)</u>	<u>(76,720)</u>	<u>(19,455,857)</u>
General Revenues			
Taxes			
Property	11,423,311	-	11,423,311
Replacement	51,945	-	51,945
Sales and local use	6,792,806	-	6,792,806
Utility	1,219,601	-	1,219,601
Hotel/motel	35,800	-	35,800
Food and beverage	732,613	-	732,613
Real estate transfer	333,249	-	333,249
Other taxes	89,127	-	89,127
Intergovernmental	2,335,241	-	2,335,241
Investment income	58,063	11,102	69,165
Gain on sale of capital assets	82,883	-	82,883
Miscellaneous	132,683	586,052	718,735
Transfers in (out)	(1,010,515)	1,010,515	-
Total	<u>22,276,807</u>	<u>1,607,669</u>	<u>23,884,476</u>
CHANGE IN NET POSITION	2,897,670	1,530,949	4,428,619
NET POSITION, MAY 1	<u>68,693,013</u>	<u>35,523,426</u>	<u>104,216,439</u>
NET POSITION, DECEMBER 31	<u>\$ 71,590,683</u>	<u>\$ 37,054,375</u>	<u>\$ 108,645,058</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2014

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 11,635,123	\$ 875,806	\$ 4,854,057	\$ 17,364,986
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	11,647,142	-	1,979,868	13,627,010
Accounts	3,785,751	97,598	100,567	3,983,916
Accrued interest	21,369	5,568	-	26,937
Prepaid items	4,691	-	-	4,691
Inventory	20,152	-	-	20,152
Due from other governments	1,123,794	4,671	-	1,128,465
Due from other funds	166,967	23,872	-	190,839
Advances to other funds	531,623	-	-	531,623
TOTAL ASSETS	\$ 28,936,612	\$ 1,007,515	\$ 6,934,492	\$ 36,878,619
LIABILITIES				
Accounts payable	\$ 384,023	\$ 58,107	\$ 321,159	\$ 763,289
Contractors' payable	-	-	8,216	8,216
Accrued payroll	544,332	1,187	-	545,519
Unearned revenue	37,251	-	131,420	168,671
Due to other governments	101,231	-	-	101,231
Other payables	1,058,122	-	20,074	1,078,196
Due to other funds	23,872	-	165,300	189,172
Due to fiduciary funds	49,014	-	-	49,014
Advances from other funds	-	-	531,623	531,623
Total liabilities	2,197,845	59,294	1,177,792	3,434,931
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	11,647,142	-	1,979,868	13,627,010
Unavailable dividends	354,933	-	-	354,933
Total deferred inflows of resources	12,002,075	-	1,979,868	13,981,943
Total liabilities and deferred inflows of resources	14,199,920	59,294	3,157,660	17,416,874
FUND BALANCES				
Nonspendable				
Inventory	20,152	-	-	20,152
Prepaid items	4,691	-	-	4,691
Advances to other funds	531,623	-	-	531,623
Restricted				
Public safety	-	-	246,354	246,354
Highways and streets	-	948,221	1,005,824	1,954,045
Debt service	-	-	204,857	204,857
Community development	-	-	2,026,603	2,026,603
Special service areas	-	-	404,085	404,085
Unrestricted				
Assigned				
Capital improvements	-	-	373,202	373,202
Unassigned (deficit)	14,180,226	-	(484,093)	13,696,133
Total fund balances	14,736,692	948,221	3,776,832	19,461,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 28,936,612	\$ 1,007,515	\$ 6,934,492	\$ 36,878,619

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,461,745
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 governmental funds	69,063,393
Less amount reported in internal service funds below	(3,045,131)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(19,615,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	14,209
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(386,772)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(971,345)
Net pension asset for the Police Pension Fund is shown as an asset on the statement of net position	300,985
Net pension obligation for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(116,012)
Net other postemployment benefits obligations is due and payable in the current period and, therefore, are not reported in the governmental funds	(1,397,675)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	354,933
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>7,927,353</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 71,590,683</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Eight-Month Period Ended December 31, 2014

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
REVENUES				
Taxes	\$ 17,798,776	\$ -	\$ 2,827,731	\$ 20,626,507
Licenses and permits	716,279	-	2,500	718,779
Charges for services	1,036,818	-	-	1,036,818
Fines and forfeits	466,128	-	70,692	536,820
Intergovernmental	2,443,637	983,240	273,057	3,699,934
Investment income	51,739	2,493	3,831	58,063
Miscellaneous	174,567	-	2,084	176,651
Total revenues	22,687,944	985,733	3,179,895	26,853,572
EXPENDITURES				
Current				
General government	2,483,520	-	-	2,483,520
Community development	1,575,065	-	304,691	1,879,756
Public safety	13,027,697	-	-	13,027,697
Public works	2,644,628	-	-	2,644,628
Highways and streets	-	410,438	17,529	427,967
Capital outlay	-	960,031	2,022,720	2,982,751
Debt service				
Principal retirement	-	-	875,000	875,000
Interest	-	-	984,764	984,764
Fiscal charges	-	-	1,856	1,856
Total expenditures	19,730,910	1,370,469	4,206,560	25,307,939
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,957,034	(384,736)	(1,026,665)	1,545,633
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,408,526	1,408,526
Transfers (out)	(1,164,657)	-	(118,619)	(1,283,276)
Proceeds from sale of capital assets	82,883	-	-	82,883
Total other financing sources (uses)	(1,081,774)	-	1,289,907	208,133
NET CHANGE IN FUND BALANCES	1,875,260	(384,736)	263,242	1,753,766
FUND BALANCES, MAY 1	12,861,432	1,332,957	3,513,590	17,707,979
FUND BALANCES, DECEMBER 31	\$ 14,736,692	\$ 948,221	\$ 3,776,832	\$ 19,461,745

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Eight-Month Period Ended December 31, 2014

**NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS** **\$ 1,753,766**

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

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities 525,071

Certain revenues are deferred in governmental funds but not in governmental activities 90,654

The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities 875,000

The decrease in accrued interest payable is shown as an addition to expense on the statement of activities 8,504

Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Depreciation (1,387,729)

Amortization 1,627

Less amount reported in internal service funds below 324,852

The decrease in net pension asset is reported as an increase in expense on the statement of activities 2,352

The increase in net pension obligation is reported as an increase in expense on the statement of activities (1,228)

The increase in the compensated absences liability is an expense on the statement of activities 186,763

The change in net other postemployment benefits obligations are reported only in the statement of activities (83,796)

The change in net position of certain activities of internal service funds is in governmental funds 601,834

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,897,670**

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2014

	Business-Type Activities			Total	Governmental
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise		Internal Service
CURRENT ASSETS					
Cash and investments	\$ 7,108,081	\$ 254,769	\$ 363,420	\$ 7,726,270	\$ 5,224,186
Receivables					
Accounts	2,352,143	24,801	-	2,376,944	4,222
Accrued interest	4	-	-	4	4,073
Other	291,208	-	19,023	310,231	-
Prepaid expenses	35	-	-	35	-
Total current assets	9,751,471	279,570	382,443	10,413,484	5,232,481
NONCURRENT ASSETS					
Capital assets					
Nondepreciable	937,116	2,294,805	1,317,517	4,549,438	-
Depreciable, net of accumulated depreciation	21,692,075	1,984,476	930,490	24,607,041	3,045,131
Total noncurrent assets	22,629,191	4,279,281	2,248,007	29,156,479	3,045,131
Total assets	32,380,662	4,558,851	2,630,450	39,569,963	8,277,612
CURRENT LIABILITIES					
Accounts payable	754,118	282,081	4,677	1,040,876	350,259
Contractors' payable	2,000	27,721	-	29,721	-
Accrued payroll	31,590	-	1,964	33,554	-
Accrued interest	10,050	-	-	10,050	-
Deposits	8,625	-	-	8,625	-
Unearned revenue	-	-	92,120	92,120	-
Notes payable - EPA	337,186	-	-	337,186	-
Other payables	-	19,506	1,000	20,506	-
Compensated absences payable	4,299	-	-	4,299	-
Due to other funds	1,667	-	-	1,667	-
Total current liabilities	1,149,535	329,308	99,761	1,578,604	350,259
LONG-TERM LIABILITIES					
Compensated absences	81,675	-	-	81,675	-
Notes payable - EPA	730,462	-	-	730,462	-
Net other postemployment benefit obligation	124,847	-	-	124,847	-
Total long-term liabilities	936,984	-	-	936,984	-
Total liabilities	2,086,519	329,308	99,761	2,515,588	350,259
NET POSITION					
Net investment in capital assets	21,561,543	4,279,281	2,248,007	28,088,831	3,045,131
Unrestricted (deficit)	8,732,600	(49,738)	282,682	8,965,544	4,882,222
TOTAL NET POSITION	\$ 30,294,143	\$ 4,229,543	\$ 2,530,689	\$ 37,054,375	\$ 7,927,353

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Eight-Month Period Ended December 31, 2014

	Business-Type Activities			Governmental	
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise	Internal Service	
OPERATING REVENUES					
Charges for services	\$ 7,089,864	\$ 560,678	\$ 265,895	\$ 7,916,437	\$ 1,380,536
Total operating revenues	7,089,864	560,678	265,895	7,916,437	1,380,536
OPERATING EXPENSES					
Administration	1,172,857	-	-	1,172,857	-
Operations	5,425,428	453,842	173,803	6,053,073	290,411
Depreciation and amortization	638,481	71,019	29,104	738,604	324,852
Total operating expenses	7,236,766	524,861	202,907	7,964,534	615,263
OPERATING INCOME (LOSS)	(146,902)	35,817	62,988	(48,097)	765,273
NON-OPERATING REVENUES (EXPENSES)					
Interest expense	(28,623)	-	-	(28,623)	-
Investment income	10,957	31	114	11,102	(229,465)
Other income	584,300	1,752	-	586,052	-
Gain on disposal of capital assets	-	-	-	-	66,026
Total non-operating revenues (expenses)	566,634	1,783	114	568,531	(163,439)
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	419,732	37,600	63,102	520,434	601,834
CAPITAL CONTRIBUTIONS	-	1,135,765	-	1,135,765	-
TRANSFERS					
Transfer (out)	(125,250)	-	-	(125,250)	-
Total transfers	(125,250)	-	-	(125,250)	-
CHANGE IN NET POSITION	294,482	1,173,365	63,102	1,530,949	601,834
NET POSITION, MAY 1	29,999,661	3,056,178	2,467,587	35,523,426	7,325,519
NET POSITION, DECEMBER 31	\$ 30,294,143	\$ 4,229,543	\$ 2,530,689	\$ 37,054,375	\$ 7,927,353

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Eight-Month Period Ended December 31, 2014

	Business-Type Activities			Governmental Activities	
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 7,670,404	\$ 564,930	\$ 273,345	\$ 8,508,679	\$ (4,222)
Receipts from interfund services	-	-	-	-	1,380,536
Payments to suppliers	(4,731,764)	(527,724)	(98,940)	(5,358,428)	(290,411)
Payments to employees	(2,007,128)	-	(108,966)	(2,116,094)	-
Net cash from operating activities	931,512	37,206	65,439	1,034,157	1,085,903
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loans	1,667	97,186	-	98,853	-
Transfers (out)	(125,250)	-	-	(125,250)	-
Net cash from noncapital financing activities	(123,583)	97,186	-	(26,397)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(533,608)	-	-	(533,608)	(374,964)
Proceeds from sale of capital assets	-	-	-	-	66,026
Principal paid on EPA loans	(216,326)	-	-	(216,326)	-
Interest paid on EPA loans	(24,457)	-	-	(24,457)	-
Net cash from capital and related financing activities	(774,391)	-	-	(774,391)	(308,938)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	106,968	-	-	106,968	(806)
Interest received	11,538	31	114	11,683	(231,558)
Net cash from investing activities	118,506	31	114	118,651	(232,364)
NET INCREASE IN CASH AND CASH EQUIVALENTS	152,044	134,423	65,553	352,020	544,601
CASH AND CASH EQUIVALENTS, MAY 1	6,734,542	120,347	297,867	7,152,756	3,971,159
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 6,886,586	\$ 254,770	\$ 363,420	\$ 7,504,776	\$ 4,515,760

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Eight-Month Period Ended December 31, 2014

	Business-Type Activities			Governmental Activities	
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (146,902)	\$ 35,817	\$ 62,988	\$ (48,097)	\$ 765,273
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	638,481	71,019	29,104	738,604	324,852
Other non-operating revenues	584,300	1,752	-	586,052	-
Changes in assets and liabilities					
Receivables	(57,274)	2,500	(11,134)	(65,908)	(4,222)
Prepaid expenses	149,510	-	9,646	159,156	-
Accounts payable	(156,999)	(73,882)	(28,790)	(259,671)	-
Accrued payroll	(42,088)	-	(3,825)	(45,913)	-
Contractors deposits	(8,000)	-	-	(8,000)	-
Deferred revenue	-	-	7,450	7,450	-
Compensated absences	(37,001)	-	-	(37,001)	-
Net other postemployment benefit obligation	7,485	-	-	7,485	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 931,512</u>	<u>\$ 37,206</u>	<u>\$ 65,439</u>	<u>\$ 1,034,157</u>	<u>\$ 1,085,903</u>
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 6,886,586	\$ 254,769	\$ 363,420	\$ 7,504,775	\$ 4,515,760
Investments	221,495	-	-	221,495	708,426
TOTAL CASH AND INVESTMENTS	<u>\$ 7,108,081</u>	<u>\$ 254,769</u>	<u>\$ 363,420</u>	<u>\$ 7,726,270</u>	<u>\$ 5,224,186</u>
NONCASH TRANSACTIONS					
Contributed capital assets from other funds	\$ -	\$ 1,135,765	\$ -	\$ 1,135,765	\$ -

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2014

	Pension Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 849,913
Investments	
U.S. government and agency obligations	16,373,871
State and local obligations	-
Money market mutual funds	418,423
Mutual funds	24,407,520
Illinois Metropolitan Investment Fund	183,573
Receivables	
Accrued interest	78,855
Due from Village	49,014
Prepaid items	<u>1,550</u>
 Total assets	 <u>42,362,719</u>
 LIABILITIES	
Accounts payable	<u>16,514</u>
 Total liabilities	 <u>16,514</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	 <u><u>\$ 42,346,205</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Eight-Month Period Ended December 31, 2014

ADDITIONS

Contributions

Employer contributions	\$ 1,989,927
Employee contributions	<u>507,780</u>

Total contributions	<u>2,497,707</u>
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Investment income

Net appreciation in fair value of investments	431,759
Interest	<u>220,820</u>

Total investment income	652,579
Less investment expense	<u>(54,381)</u>

Net investment income	<u>598,198</u>
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Total additions	<u>3,095,905</u>
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DEDUCTIONS

Benefits and refunds	1,757,478
Administrative expenses	<u>29,983</u>

Total deductions	<u>1,787,461</u>
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NET INCREASE	1,308,444
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**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>41,037,761</u>
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December 31	<u><u>\$ 42,346,205</u></u>
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See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hanover Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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.

a. Reporting Entity

The Village was incorporated in 1958. The Village is a municipal corporation governed by an elected seven-member Board. The Village operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning and general administrative services. As required by GAAP, these financial statements present the Village (the primary government) and its component units. The financial statements present only the Village since the Village has no component units.

The Village's financial statements include two pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership and two firefighter employees elected by the membership constitute the pension board. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it was part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the Village's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with the Village's operations that are not accounted for in another fund.

The Motor Fuel Tax Fund accounts for the revenues restricted for the operation and maintenance of street and storm sewer programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of state gasoline taxes. The Village has elected to report this fund as major.

The Village reports the following major proprietary fund:

The Waterworks and Sewerage Fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Additionally, the Village reports the following internal service fund:

Internal service funds account for the Village's equipment replacement program.

The Village reports the following fiduciary funds:

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the 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 become both 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 be used to pay liabilities of the current period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Village reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unavailable /unearned revenues also arise when resources are received by the Village before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability/deferred outflow is removed from the financial statements and revenue is recognized.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. All other investments, including all investments of the pension trust funds, are reported at fair value at December 31. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Village's fair value of the pool.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other fund" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds fund financial statements to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory in governmental funds are accounted for using the consumption method.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure has been reported retroactively. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	10-20
Buildings	20-50
Equipment	3-20
Infrastructure	25-75

j. Compensated Absences

Vested or accumulated vacation leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities.

Accumulated unpaid vacation, sick pay and other employee benefit amounts for proprietary funds are recorded on the accrual basis in those funds.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds 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 expenditures.

l. Fund Equity/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village's Board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Director of Finance through the Village's fund balance policy. Any residual fund balance of the General Fund is reported as unassigned.

The Village's flow of funds policy prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds. For net position, restricted funds are spent first then unrestricted funds.

The Village has established a fund balance policy for the General Fund. It is the Village's policy that the General Fund's combined assigned and unassigned fund balance should be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Equity/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village.

m. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

o. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The Special Service Area #6, Tax Increment Financing #4, Tax Increment Financing #5 and GO Bond 2010A Funds reported deficit fund balances of \$310,738, \$22,264, \$12,025 and \$139,066, respectively. These deficits are expected to be funded by future tax levies.

3. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The investments are governed by the investment policy adopted by the Village Board.

The Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and IMET.

Illinois Funds is an investment pool which was created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

The Police and Firefighters' Pension Funds can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statues governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance to be held by the Village's agent in the Village's name.

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 101,911	\$ -	\$ 101,911	\$ -	\$ -
TOTAL	\$ 101,911	\$ -	\$ 101,911	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment states the investment portfolio shall be structured so that securities mature to meet cash requirements for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the maximum maturity. The Village will not directly invest in securities maturing more than five years from the date of purchase unless matched to a specific cash flow. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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 primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and the other securities noted above. IMET and Illinois Funds are rated AAA by Standard and Poor's.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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'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 by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. Illinois Funds and the money market mutual fund are not subject to custodial credit risk.

Concentration of credit risk - The Village's investment policy limits investments to the amount of the portfolio that can be invested in any one investment vehicle as follows.

Diversification by Instrument	Percent of Portfolio
U.S. Treasury obligations (bills, notes and bonds)	100%
U.S. government agency securities and instrumentalities of government sponsored corporations	50%
Bankers acceptances (BAs)	25%
Repurchase agreements (REPOs) (monies in the public funds or other money market funds are not to be included in this limitation)	25%
Certificates of deposit (CDs) commercial banks/savings and loans	100%
Certificates of deposit (CDs) credit unions	100%
Illinois Public Funds (or similar types of investments/money market pools)	50%
Commercial paper (CP)	10%

Diversification by Financial Institution

Bankers acceptances (BAs) - no more than 25% of the total portfolio with any one institution.

Repurchase agreements (REPOs) - no more than 25% of the total portfolio with any one institution.

Certificates of deposit (CDs) - Commercial banks, savings and loan association, credit unions - no more than 50% of the total portfolio with any one institution.

Local government investment pool - Illinois Public Funds or similar type of investment/money market pools - no more than 50%.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. RECEIVABLES - TAXES

Property taxes for 2013 attached as an enforceable lien on January 1, 2013, 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 DuPage County and issued on or about April 1, 2014 and are payable in two installments, on or about June 1, 2014 and September 1, 2014. Tax bills are prepared by Cook County and issued on or about February 1, 2014 and July 1, 2014 and are payable March 1, 2014 and August 1, 2014. The counties collect such taxes and remit them periodically.

The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has been recorded as a receivable and unavailable revenue as of December 31, 2014 as the tax has been levied by the Village and is intended to fund the 2015 fiscal year.

5. CAPITAL ASSETS

Capital asset activity for the eight-month period ended December 31, 2014 was as follows:

	Beginning Balances May 1	Increases	Decreases	Ending Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,780,362	\$ 1,325	\$ -	\$ 3,781,687
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	173,826	-	-	173,826
Total capital assets not being depreciated	29,046,752	1,325	-	29,048,077
Capital assets being depreciated				
Buildings	28,952,898	204,755	-	29,157,653
Machinery, equipment and vehicles	11,119,904	947,902	305,369	11,762,437
Improvements other than buildings	2,813,056	-	-	2,813,056
Infrastructure	33,236,676	76,358	-	33,313,034
Total capital assets being depreciated	76,122,534	1,229,015	305,369	77,046,180
Less accumulated depreciation for				
Buildings	5,604,303	423,491	-	6,027,794
Machinery, equipment and vehicles	6,017,848	515,651	305,369	6,228,130
Improvements other than buildings	791,888	43,659	-	835,547
Infrastructure	23,534,465	404,928	-	23,939,393
Total accumulated depreciation	35,948,504	1,387,729	305,369	37,030,864
Total capital assets being depreciated, net	40,174,030	(158,714)	-	40,015,316
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 69,220,782	\$ (157,389)	\$ -	\$ 69,063,393

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the government activities as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 58,497
Community development	2,252
Public safety	611,309
Public works	<u>715,671</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,387,729</u>

	Beginning Balances May 1	Increases	Decreases	Ending Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,150,013	\$ -	\$ -	\$ 4,150,013
Construction in progress	399,425	-	-	399,425
Total capital assets not being depreciated	<u>4,549,438</u>	-	-	<u>4,549,438</u>
Capital assets being depreciated				
Buildings and structures	13,499,384	1,170,265	-	14,669,649
Machinery, equipment and vehicles	3,857,366	73,815	202,518	3,728,663
Underground systems	14,383,442	425,293	-	14,808,735
Improvements other than buildings	9,696,382	-	-	9,696,382
Total capital assets being depreciated	<u>41,436,574</u>	<u>1,669,373</u>	<u>202,518</u>	<u>42,903,429</u>
Less accumulated depreciation for				
Building and structures	5,981,308	243,528	-	6,224,836
Machinery and equipment	2,344,791	139,943	202,518	2,282,216
Underground systems	5,549,029	192,820	-	5,741,849
Improvements other than buildings	3,885,174	162,313	-	4,047,487
Total accumulated depreciation	<u>17,760,302</u>	<u>738,604</u>	<u>202,518</u>	<u>18,296,388</u>
Total capital assets being depreciated, net	<u>23,676,272</u>	<u>930,769</u>	-	<u>24,607,041</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 28,225,710</u>	<u>\$ 930,769</u>	<u>\$ -</u>	<u>\$ 29,156,479</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES	
Waterworks and sewerage	\$ 638,481
Municipal railroad parking lot	29,104
Public safety	<u>71,019</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 738,604</u>

6. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

a. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by its members to their officers and employees, and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities. The Village's payments to IPBC are displayed on the financial statements as expenses in the appropriate funds.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Benefit Administrator and a Treasurer. The Village does not exercise any control over activities of IPBC beyond its representation on the Board of Directors.

b. Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is a public entity risk pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenses in the appropriate funds.

Risk of loss is transferred, except that each member assumes the first \$1,000 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of December 31, 2014.

7. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Additions	Reductions and Defeasance	Balances December 31	Current Portion
\$10,000,000 General Obligation Bond Series of 2010, due in annual installments of \$280,000 to \$1,255,000 plus interest ranging from 1.78% to 6.00% through December 1, 2029.	Debt Service	\$ 9,435,000	\$ -	\$ 290,000	\$ 9,145,000	\$ 295,000
\$5,000,000 General Obligation Bond Series of 2010A, due in annual installments of \$50,000 to \$1,500,000 plus interest ranging from 2.15% to 5.50% through December 1, 2030.	Debt Service	4,950,000	-	100,000	4,850,000	150,000
\$7,030,000 General Obligation Refunding Bond Series of 2011, due in annual installments of \$450,000 to \$645,000 plus interest ranging from 2.00% to 3.25% through December 1, 2024.	Debt Service	6,105,000	-	485,000	5,620,000	500,000
TOTAL		\$ 20,490,000	\$ -	\$ 875,000	\$ 19,615,000	\$ 945,000

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

b. Illinois Environmental Protection Agency (EPA) Loans

The Village, through the Illinois Environmental Protection Agency (EPA), received a low interest loan for the construction of a sewerage treatment facility. The loan is payable in semiannual installments of principal and interest of \$123,245. In addition, during fiscal year 1999, the Village received an additional low interest loan from the EPA for additional work on the sewerage treatment facility. This loan is payable in semiannual installments of principal and interest of \$58,769. EPA loans currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
1997 EPA Loan I	Waterworks and Sewerage	\$ 704,369	\$ -	\$ 113,332	\$ 591,037	\$ 231,470
2000 EPA Loan II	Waterworks and Sewerage	579,606	-	102,995	476,611	105,716
TOTAL		\$ 1,283,975	\$ -	\$ 216,327	\$ 1,067,648	\$ 337,186

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		EPA Loans	
	Principal	Interest	Principal	Interest
2015	\$ 945,000	\$ 937,472	\$ 337,186	\$ 26,842
2016	985,000	912,942	346,541	17,487
2017	1,030,000	884,930	232,911	7,872
2018	1,050,000	852,955	114,319	3,219
2019	1,070,000	818,218	36,694	482
2020	1,095,000	779,516	-	-
2021	1,120,000	735,760	-	-
2022	1,145,000	688,998	-	-
2023	1,180,000	640,668	-	-
2024	1,235,000	591,048	-	-
2025	1,345,000	536,313	-	-
2026	1,405,000	459,915	-	-
2027	1,445,000	377,630	-	-
2028	1,510,000	292,480	-	-
2029	1,555,000	201,300	-	-
2030	1,500,000	105,000	-	-
TOTAL	\$ 19,615,000	\$ 9,815,145	\$ 1,067,651	\$ 55,902

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported:

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 20,490,000	\$ -	\$ 875,000	\$ 19,615,000	\$ 945,000
Add unamortized bond premium	80,752	-	7,341	73,411	-
Less unamortized bond discount	(93,334)	-	(5,714)	(87,620)	-
Compensated absences*	1,158,108	70,105	256,868	971,345	48,567
Net pension obligation*	114,784	1,228	-	116,012	-
Net other postemployment benefit obligation*	1,313,879	83,796	-	1,397,675	-
TOTAL	\$ 23,064,189	\$ 155,129	\$ 1,133,495	\$ 22,085,823	\$ 993,567

*The compensated absences, net pension obligation and net other postemployment benefit obligation have typically been liquidated by the General Fund.

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA loans	\$ 1,283,975	\$ -	\$ 216,327	\$ 1,067,648	\$ 337,186
Compensated absences	122,975	16,471	53,472	85,974	4,299
Net other postemployment benefit obligation	117,362	7,485	-	124,847	-
TOTAL	\$ 1,524,312	\$ 23,956	\$ 269,799	\$ 1,278,469	\$ 341,485

e. Legal Debt Margin

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date July 1, 1971 of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

f. Conduit Debt

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2014, there was one IDRB outstanding with outstanding principal of \$335,000.

8. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 106,623
General	Nonmajor governmental	425,000
TOTAL		\$ 531,623

The purposes of the advances from/to other funds are as follows:

- \$425,000 advance from the General Fund to the Special Service Area #6 Fund to cover eligible nonbuilding improvements such as road and lot paving.
- \$106,623 advance from the General Fund to the Tax Increment Financing #4 in anticipation of future receipts.

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental	General	\$ 1,164,657
Nonmajor governmental	GO Bonds of 2010	76,129
Nonmajor governmental	Nonmajor governmental	42,490
Nonmajor governmental	Waterworks and Sewerage	125,250
TOTAL		\$ 1,408,526

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the eight-month period ended December 31, 2014 consisted of the following:

- \$975,280 and \$125,250 transferred from the General Fund and Waterworks and Sewerage Fund, respectively, to the General Capital Projects Fund to cover project expenditures.

Additionally, the Tax Increment Financing #3 Fund contributed \$1,135,765 of capital assets to the Hanover Square Fund.

Due from/to other funds at December 31, 2014 consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 165,300
General	Water and Sewer	1,667
Motor Fuel Tax	General	<u>23,872</u>
TOTAL		<u>\$ 190,839</u>

The purpose of the significant due to/from other funds is as follows:

- \$165,300 due from the nonmajor governmental funds to the General Corporate Fund is for amount due for repayment of debt. This amount will be paid within one year.

Due from/to fiduciary funds at December 31, 2014 consisted of the following:

Receivable Fund	Payable Fund	Amount
Police Pension	General	\$ 38,137
Firefighters' Pension	General	<u>10,877</u>
TOTAL		<u>\$ 49,014</u>

The purpose of the significant due to/from fiduciary funds is as follows:

- \$49,014 due from the General Fund to the Pension Funds is for amount due for withholdings not yet remitted. This amount will be paid within one year.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The Village has committed to purchase water from the Northwest Suburban Municipal Joint Action Water Agency (JAWA). The Village expects to pay the following minimum amounts:

Fiscal Year Ending December 31,	Amount
2015	\$ 869,951
2016	870,228
2017	869,744
2018	869,938
2019	869,862
2020	869,839
2021	<u>870,188</u>
 TOTAL	 <u>\$ 6,089,750</u>

This amount has been estimated based upon the Village's current water consumption figures and current water costs. In future years, the annual cost will be subject to change.

10. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. 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 costs which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

10. CONTINGENT LIABILITIES (Continued)

c. Northwest Suburban Municipal Joint Action Water Agency

The Village's water purchase contract with Northwest Suburban Municipal Joint Action Water Agency (JAWA) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Economic Incentive Agreements

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of December 31, 2014, three agreements have been in effect for businesses that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2019. For the second agreement, a maximum of \$2,500,000 is to be paid or until 20 years elapses, whichever occurs first. For the third agreement, a maximum of \$750,000 is to be paid or until 20 years elapses, whichever occurs first. The amount paid/accrued for the fiscal period ended December 31, 2014 was \$1,335,487. The total expenditures incurred to date in rebates for the currently effective agreements as of December 31, 2014 is \$11,198,460.

The Village has entered into an economic development agreement with one company to provide property tax rebates. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total expenditures incurred under this agreement is \$462,611 as of December 31, 2014.

The Village issued a note receivable to a local business for \$700,000 in September 2009, bearing 0% interest. The payments are satisfied by and are contingent on the generation of incremental property taxes; therefore, no receivable has been recorded by the Village as of December 31, 2014. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

The Village is a member of JAWA which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of December 31, 2014 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	16.01%
Village of Hanover Park	11.05%
Village of Hoffman Estates	16.64%
Village of Mount Prospect	11.56%
City of Rolling Meadows	8.36%
Village of Schaumburg	26.06%
Village of Streamwood	<u>10.32%</u>
 TOTAL	 <u>100.00%</u>

These percentage shares are based upon formulae contained in the water supply agreement and are subject to change in future years based upon consumption by the municipalities.

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

11. JOINT VENTURES (Continued)

Northwest Suburban Municipal Joint Action Water Agency (Continued)

Description of Joint Venture (Continued)

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges and all rates, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2022. The agreements are irrevocable and may not be terminated or amended except as provided in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago (the City) under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of JAWA through the year 2020.

The obligation of the Village to make all payments as required by this agreement is unconditional and irrevocable, without regard to performance or nonperformance by JAWA of its obligations under this agreement.

The payments required to be made by the Village under this agreement shall be required to be made solely from revenues to be derived by the Village from the operation of the Waterworks and Sewerage System. Members are not prohibited by the agreement however, from using other available funds to make payments under the agreement. This agreement shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

The obligation of the Village to make payments required by this agreement from revenues of the Waterworks and Sewerage System shall be payable from the operation and maintenance account of the Waterworks and Sewerage Fund.

In accordance with the joint venture agreement, the Village remitted \$2,220,921 to JAWA for the eight-month period ended December 31, 2014. All payments were paid from the Waterworks and Sewerage Fund.

12. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multi-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for IMRF as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension or Firefighters' Pension Plans or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2014 was 14.76%.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 20 years, 2% of their final earnings rate for the next ten years of credited service and 1% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes. SLEP members are required to contribute 6.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. There was no required employer contribution for calendar years ended 2012, 2013 or 2014.

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

The plan is governed by a by a five-member pension board. Two members are appointed by the Village's Board, one elected by retired pension members and two elected by active members constitute the pension board

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.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2014, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	33
Inactive plan members entitled to benefits but not yet receiving them	1
Active plan members	
Vested	35
Nonvested	27
	96
TOTAL	96

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$115,481, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past service costs for the Police Pension Plan. For the eight-month period ended December 31, 2014, the Village's contribution was 25% of covered payroll.

Investment Policy

ILCS limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, equity mutual funds and equity securities. During the eight-month period, no changes to the investment policy were approved by the Board of Trustees.

Concentration risk in the Fund's investment policy states that the portfolio shall be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Diversification is to be interpreted to include diversification by asset type, by characteristic and by number of investment. Investment management of the Fund's assets shall be in accordance with the following asset allocation guidelines:

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Asset Class	Target	Range	Long-Term Expected Real Rate of Return
Equities	40%	10% to 45%	7.0%
Fixed income	57%	50% to 80%	2.5%
Cash and equivalents	3%	2% to 10%	0.0%

At December 31, 2014, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$15,678,070 invested in mutual funds.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for any insurance contracts.

Investment Rate of Return

For the eight-month period ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.154%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 6,673,032	\$ 973,433	\$ 4,257,494	\$ 1,442,105	\$ -
U.S. agency obligations	3,824,578	115,782	2,151,684	1,544,311	12,801
TOTAL	\$ 10,497,610	\$ 1,089,215	\$ 6,409,178	\$ 2,986,416	\$ 12,801

Interest rate risk in the Fund's investment policy states that the investment portfolio will remain sufficiently liquid to enable the Fund to meet all operating requirements which might be reasonably anticipated. The investment policy further states that as appropriate, up to 5% of plan assets may be invested in nonliquid, long-term investments.

Credit Risk

Credit risk in the Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At December 31, 2014, the Fund's investments in U.S. Government and agency securities, municipal bonds were all rated AAA by Standard and Poor's. The Fund's investment in Illinois Funds was also AAA rated by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk. To limit its exposure, the Fund processes transactions that are exposed to custodial credit risk on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased. IMET and the money market mutual funds are not subject to custodial credit risk.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 49,377,590
Plan fiduciary net position	27,021,198
Village's net pension liability	22,356,392
Plan fiduciary net position as a percentage of the total pension liability	54.72%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.00%
Salary increases	5.00%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 29,181,580	\$ 22,356,392	\$ 16,743,960

Significant Investments

There were no investments (other than U.S. Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Police Pension Plan. Information for IMRF is not available.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

The plan is governed by a by a five-member pension board. Two members are appointed by the Village's Board, one elected by retired pension members and two elected by active members constitute the pension board

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.

Plan Membership

At December 31, 2014, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	23
Inactive plan members entitled to benefits but not yet receiving them	1
Active plan members	
Vested	13
Nonvested	22
	22
TOTAL	59

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$115,481, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past services costs for the Firefighters' Pension Plan. For the eight-month period ended December 31, 2014, the Village's contribution was 23.97% of covered payroll.

Investment Policy

ILCS limit the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts, equity mutual funds and equity securities. During the year, no changes to the investment policy were approved by the Board of Trustees.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

Concentration risk in the Fund's investment policy states that the portfolio shall be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Diversification is to be interpreted to include diversification by asset type, by characteristic and by number of investment. Investment management of the Fund's assets shall be in accordance with the following asset allocation guidelines:

Asset Class	Target	Range	Long-Term Expected Real Rate of Return
Equities	40%	10% to 45%	7.0%
Fixed income	57%	50% to 80%	2.5%
Cash and equivalents	3%	2% to 10%	0.0%

At December 31, 2014, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$8,729,453 invested in mutual funds.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for any insurance contracts.

Investment Rate of Return

For the eight-month period ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.245%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Fund in the Fund's name.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 5,138,455	\$ 893,927	\$ 3,030,285	\$ 1,214,243	\$ -
U.S. agency obligations	737,806	-	138,817	571,422	27,567
TOTAL	\$ 5,876,261	\$ 893,927	\$ 3,169,102	\$ 1,785,665	\$ 27,567

Interest rate risk in the Fund's investment policy states that the investment portfolio will remain sufficiently liquid to enable the Fund to meet all operating requirements which might be reasonably anticipated. The investment policy further states that as appropriate, up to 5% of plan assets may be invested in nonliquid, long-term investments.

Credit Risk

Credit risk in the Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the U.S. Government and/or its agencies that are implicitly guaranteed by the U.S. Government. At December 31, 2014, the Fund's investments in U.S. Government and agency securities were all rated AAA by Standard and Poor's. The Fund's investment in Illinois Funds were also AAA rated by Standard and Poor's.

Custodial Credit Risk - Investments

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk. To limit its exposure, the Fund processes transactions that are exposed to custodial credit risk on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased. IMET and the money market mutual funds are not subject to custodial credit risk.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 26,028,272
Plan fiduciary net position	15,325,007
Village's net pension liability	10,703,265
Plan fiduciary net position as a percentage of the total pension liability	58.88%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.00%
Salary increases	5.00%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 14,188,943	\$ 10,703,265	\$ 7,812,279

Significant Investments

There were no investments (other than U.S. Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Firefighters' Pension Plan. Information for IMRF is not available.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk. To limit its exposure, the Fund processes transactions that are exposed to custodial credit risk on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased. IMET and the money market mutual funds are not subject to custodial credit risk.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Benefits and refunds of the plans are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

Administrative Costs

Administrative costs for both the Police and Firefighters' Pension Plans are financed primarily through investment earnings.

c. Annual Pension Costs

The annual pension costs (APC) and the net pension obligation (asset) (NPO) as of December 31, 2014 were derived from the actuarial valuations performed as of the dates and using the assumptions noted below:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2012	December 31, 2012	December 31, 2013	December 31, 2013
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market Value	Market Value
Amortization method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization period	29 Years, Open	30 Years, Open	20 Years, Closed	20 Years, Closed

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Significant actuarial assumptions				
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	0.40% to 10.00%	0.40% to 10.00%	5.00%	5.50%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

d. Net Pension Obligation

The Village's annual pension cost and net pension obligation for the eight-month period ended December 31, 2014 were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,275,435	\$ 714,491
Interest on net pension obligation	(21,651)	8,322
Adjustment to annual required contribution	19,299	(7,093)
Annual pension cost	1,273,083	715,720
Contributions made	1,275,435	714,492
(Increase) decrease in net pension obligation (asset)	(2,352)	1,228
Net pension obligation (asset), beginning of year	(298,633)	114,784
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (300,985)	\$ 116,012

The funded status of the plans as of December 31, 2014, based on actuarial valuations performed as of December 31, 2014 for the Police Pension and Firefighters' Pension Plans and as of December 31, 2014 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same as actuarial assumptions used to determine the employer annual pension costs of the plans as disclosed in Note 12c.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Net Pension Obligation (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 22,147,446	\$ -	\$ 49,377,590	\$ 26,028,272
Actuarial value of plan assets	15,595,608	38,044	27,021,198	15,325,007
Unfunded actuarial accrued liability (UAAL)	6,551,838	(38,044)	18,338,544	10,703,265
Funded ratio (actuarial value of plan assets/AAL)	70.42%	0.00%	54.72%	58.88%
Covered payroll (active plan members)	\$ 6,298,256	\$ -	\$ 5,101,739	\$ 2,980,239
UAAL as a percentage of covered payroll	104.03%	0.00%	438.21%	359.14%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

e. Trend Information

Trend information gives an indication of the progress in accumulating sufficient assets to pay benefits when due.

	For Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2013	\$ 882,144	\$ -
	2014	943,774	-
	2014*	609,361	-
Actual contributions	2013	\$ 882,144	\$ -
	2014	943,774	-
	2014*	609,361	-
Percentage of APC contributed	2013	100.00%	N/A
	2014	100.00%	N/A
	2014*	100.00%	N/A
NPO (asset)	2013	\$ -	\$ -
	2014	-	-
	2014*	-	-

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

e. Trend Information (Continued)

	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2013	\$ 1,655,434	\$ 817,060
	2014	1,726,581	917,112
	2014*	1,273,083	715,720
Actuarial contributions	2013	\$ 1,657,706	\$ 815,297
	2014	1,729,682	915,601
	2014*	1,275,435	714,492
Percentage of APC contributed	2013	100.14%	99.78%
	2014	100.18%	99.84%
	2014*	100.18%	99.83%
NPO (asset)	2013	\$ (295,532)	\$ 113,273
	2014	(298,633)	114,784
	2014*	(300,985)	116,012

*The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

f. Summary Financial Statements

Schedule of Net Position as of December 31, 2014:

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 495,638	\$ 354,275	\$ 849,913
Investments			
U.S. Government and agency obligations	10,497,610	5,876,261	16,373,871
Money market mutual funds	141,091	277,332	418,423
Mutual funds	15,678,068	8,729,452	24,407,520
Illinois Metropolitan Investment Fund	131,402	52,171	183,573
Receivables			
Accrued interest	48,569	30,286	78,855
Due from Village	38,137	10,877	49,014
Prepaid items	775	775	1,550
Total assets	27,031,290	15,331,429	42,362,719

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

f. Summary Financial Statements (Continued)

Schedule of Net Position as of December 31, 2014 (Continued):

	Police Pension	Firefighters' Pension	Total
LIABILITIES			
Accounts payable	\$ 10,092	\$ 6,422	\$ 16,514
Total liabilities	<u>10,092</u>	<u>6,422</u>	<u>16,514</u>
NET POSITION	<u>\$ 27,021,198</u>	<u>\$ 15,325,007</u>	<u>\$ 42,346,205</u>

Schedule of Changes in Net Position for the eight-month period ended December 31, 2014:

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,275,435	\$ 714,492	\$ 1,989,927
Employee	323,746	184,034	507,780
Other contributions	-	-	-
Total contributions	<u>1,599,181</u>	<u>898,526</u>	<u>2,497,707</u>
Investment income			
Net appreciation in fair value of investments	274,978	156,781	431,759
Interest income	140,189	80,631	220,820
Less investment expense	<u>(33,876)</u>	<u>(20,505)</u>	<u>(54,381)</u>
Net investment income	<u>381,291</u>	<u>216,907</u>	<u>598,198</u>
Total additions	<u>1,980,472</u>	<u>1,115,433</u>	<u>3,095,905</u>
DEDUCTIONS			
Benefits and refunds	1,164,414	593,064	1,757,478
Administrative expenses	<u>17,064</u>	<u>12,919</u>	<u>29,983</u>
Total deductions	<u>1,181,478</u>	<u>605,983</u>	<u>1,787,461</u>
NET INCREASE	798,994	509,450	1,308,444
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	<u>26,222,204</u>	<u>14,815,557</u>	<u>41,037,761</u>
April 31	<u>\$ 27,021,198</u>	<u>\$ 15,325,007</u>	<u>\$ 42,346,205</u>

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre-Medicare and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's four retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At December 31, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	35
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	28
Active employees - nonvested	135
	<hr/>
TOTAL	198
	<hr/> <hr/>
Participating employers	1
	<hr/> <hr/>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal period ended December 31, 2014. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2014 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2013	\$ 219,255	\$ 159,043	72.54%	\$ 1,254,445
April 30, 2014	335,838	159,043	47.36%	1,431,241
December 31, 2014	313,674	222,393	46.21%	1,522,522

The net OPEB obligation as of December 31, 2014 was calculated as follows:

Annual required contribution	\$ 307,314
Interest on net OPEB obligation	38,167
Adjustment to annual required contribution	<u>(31,807)</u>
Annual OPEB cost	313,674
Contributions made	<u>222,393</u>
Increase in net OPEB obligation	91,281
Net OPEB obligation, beginning of year	<u>1,431,241</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 1,522,522</u>

Funded Status and Funding Progress: The funded status of the Plan as of December 31, 2014 was as follows:

Actuarial accrued liability (AAL)	\$ 7,825,927
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,825,927
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 13,399,250
UAAL as a percentage of covered payroll	37.29%

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the Plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4%, projected salary increases of 4% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Motor Fuel Tax Fund
- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Information
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Postemployment Benefits Plan
- Schedule of Employer Contributions
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 16,523,745	\$ 16,516,745	\$ 17,798,776
Licenses and permits	628,002	627,002	716,279
Charges for services	1,092,677	1,092,677	1,036,818
Fines and forfeits	386,860	386,860	466,128
Intergovernmental	2,419,694	2,414,694	2,443,637
Investment income	18,393	18,393	51,739
Miscellaneous	77,590	77,590	174,567
	<hr/>	<hr/>	<hr/>
Total revenues	21,146,961	21,133,961	22,687,944
EXPENDITURES			
Current			
General government	2,752,935	2,813,289	2,483,520
Community development	1,614,757	1,614,757	1,575,065
Public safety	13,131,078	13,064,494	13,027,697
Public works	2,861,886	2,861,886	2,644,628
	<hr/>	<hr/>	<hr/>
Total expenditures	20,360,656	20,354,426	19,730,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	786,305	779,535	2,957,034
OTHER FINANCING SOURCES (USES)			
Transfers in	216,961	216,961	-
Transfers (out)	(975,280)	(975,280)	(1,164,657)
Proceeds from sale of capital assets	-	-	82,883
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(758,319)	(758,319)	(1,081,774)
NET CHANGE IN FUND BALANCES	<hr/>	<hr/>	<hr/>
	\$ 27,986	\$ 21,216	1,875,260
FUND BALANCE, MAY 1			<hr/>
			12,861,432
FUND BALANCE, DECEMBER 31			<hr/>
			\$ 14,736,692

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MOTOR FUEL TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Allotments earned	\$ 676,394	\$ 676,394	\$ 981,665
Reimbursements	-	-	1,575
Investment income	2,301	2,301	2,493
Total revenues	678,695	678,695	985,733
EXPENDITURES			
Current			
Highways and streets			
Personal services	53,383	53,383	58,081
Commodities	6,000	6,000	6,761
Contractual services	386,317	386,317	345,596
Capital outlay	950,000	950,000	960,031
Total expenditures	1,395,700	1,395,700	1,370,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(717,005)	(717,005)	(384,736)
OTHER FINANCING SOURCES (USES)			
Prior year budgeted surplus	717,005	717,005	-
Total other financing sources (uses)	717,005	717,005	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(384,736)
FUND BALANCE, MAY 1			1,332,957
FUND BALANCE, DECEMBER 31			\$ 948,221

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 16,837,694	\$ 22,691,981	74.20%	\$ 5,854,287	\$ 6,928,991	84.49%
2010	15,745,042	22,377,083	70.36%	6,632,041	6,474,980	102.43%
2011	13,667,654	21,679,006	63.05%	8,011,352	6,527,256	122.74%
2012	13,945,121	21,473,671	64.94%	7,528,550	6,301,030	119.48%
2013	16,401,077	22,427,497	73.13%	6,026,420	6,188,685	97.38%
2014	15,595,608	22,147,446	70.42%	6,551,838	6,298,256	104.03%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 675,266	\$ 716,808	94%
2011	685,332	799,174	86%
2012	1,029,138	869,497	118%
2013	882,144	882,144	100%
2014	939,897	943,774	100%
2014*	609,361	609,361	100%

* The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SHERIFF'S LAW ENFORCEMENT PERSONNEL

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 282,797	\$ 279,596	101.14%	\$ 105,752	\$ 104,758	100.95%
2010	297,460	403,212	73.77%	177,528	-	0.00%
2011	307,499	485,027	63.40%	(23,417)	-	0.00%
2012	23,417	-	0.00%	(23,417)	-	0.00%
2013	31,396	-	0.00%	(31,396)	-	0.00%
2014	38,044	-	0.00%	(38,044)	-	0.00%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 25,099	\$ 25,099	100.00%
2010	17,516	17,516	100.00%
2011	-	-	0.00%
2012	3,686	3,686	0.00%
2013	-	-	0.00%
2014	-	-	0.00%

*The Village does not currently have any participants in SLEP.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 18,249,557	\$ 34,487,266	52.92%	\$ 16,237,709	\$ 4,351,415	373.16%
2011	20,475,156	36,631,328	55.90%	16,156,172	4,664,877	346.34%
2012	21,019,429	38,705,823	54.31%	17,686,394	4,760,070	371.56%
2013	23,712,438	42,050,982	56.39%	18,338,544	4,761,260	385.16%
2014	26,222,203	44,456,711	58.98%	18,234,508	4,930,629	369.82%
2014*	27,021,198	49,377,590	54.72%	22,356,392	5,101,739	438.21%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 1,047,722	\$ 1,047,722	100.00%
2011	1,302,480	1,302,480	100.00%
2012	1,562,318	1,562,318	100.00%
2013	1,657,706	1,657,706	100.00%
2014	1,729,683	1,729,683	100.00%
2014*	1,275,435	1,275,435	100.00%

* The Village changed to a December 31 year-end for the fiscal year ended December 31, 2014.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 7,935,575	\$ 13,999,956	56.68%	\$ 6,064,381	\$ 2,402,710	252.40%
2010	9,768,056	16,161,310	60.44%	6,393,254	2,637,743	242.38%
2011	11,341,474	17,249,912	65.75%	5,908,438	2,666,892	221.55%
2012	11,869,263	19,680,258	60.31%	7,810,995	2,672,762	292.24%
2013	13,330,316	22,060,493	60.43%	8,730,177	2,828,141	308.69%
2014	15,325,007	26,028,272	58.88%	10,703,265	2,980,239	359.14%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 574,010	\$ 574,010	100.00%
2011	698,763	698,763	100.00%
2012	805,643	805,643	100.00%
2013	815,297	815,297	100.00%
2014	915,601	915,601	100.00%
2014*	714,492	714,491	100.00%

* The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 5,125,728	0.00%	\$ 5,125,728	\$ 12,368,624	41.44%
2011	-	3,708,726	0.00%	3,708,726	15,721,793	23.59%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	5,484,303	0.00%	5,484,303	14,706,941	37.29%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2014*	-	7,825,927	0.00%	7,825,927	13,399,250	58.41%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 141,170	\$ 402,763	35.05%
2011	143,279	402,763	35.57%
2012	147,577	211,303	69.84%
2013	159,043	211,303	75.27%
2014	159,043	327,475	48.57%
2014*	222,393	307,314	72.37%

* The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

N/A - an actuarial valuation was not performed.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
Actuarially determined contribution	\$ 952,015	\$ 1,150,862	\$ 892,877	\$ 959,382	\$ 1,047,722	\$ 1,302,480	\$ 1,562,318	\$ 1,657,706	\$ 1,729,683	\$ 1,275,435
Contribution in relation to the actuarially determined contribution	1,124,952	1,188,133	892,877	987,368	1,047,722	1,302,480	1,562,318	1,657,706	1,729,683	1,275,435
CONTRIBUTION DEFICIENCY (Excess)	\$ (172,937)	\$ (37,271)	\$ -	\$ (27,986)	\$ -					
Covered-employee payroll	\$ 3,176,997	\$ 3,381,577	\$ 3,566,235	\$ 3,782,571	\$ 4,351,415	\$ 4,664,877	\$ 4,760,070	\$ 4,761,260	\$ 4,930,629	\$ 5,101,739
Contributions as a percentage of covered-employee payroll	35%	35%	25%	26%	24%	28%	33%	35%	35%	25%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 1,047,722	\$ 1,047,722	100.00%
2011	1,302,480	1,302,480	100.00%
2012	1,562,318	1,562,318	100.00%
2013	1,657,706	1,657,706	100.00%
2014	1,729,683	1,729,683	100.00%
2014*	1,275,435	1,275,435	100.00%

* The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
Actuarially determined contribution	\$ 326,724	\$ 371,075	\$ 374,835	\$ 471,152	\$ 574,010	\$ 698,763	\$ 805,643	\$ 815,297	\$ 915,601	\$ 714,491
Contribution in relation to the actuarially determined contribution	367,369	371,075	374,835	471,152	574,010	698,763	805,643	815,297	915,601	714,491
CONTRIBUTION DEFICIENCY (Excess)	\$ (40,645)	\$ -								
Covered-employee payroll	\$ 1,808,081	\$ 2,105,239	\$ 2,254,020	\$ 2,402,710	\$ 2,637,743	\$ 2,666,892	\$ 2,672,762	\$ 2,828,141	\$ 2,980,239	\$ 2,980,239
Contributions as a percentage of covered-employee payroll	20%	18%	17%	20%	22%	26%	30%	29%	31%	24%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 574,010	\$ 574,010	100.00%
2011	698,763	698,763	100.00%
2012	805,643	805,643	100.00%
2013	815,297	815,297	100.00%
2014	915,601	915,601	100.00%
2014*	714,492	714,491	100.00%

* The Village changed to a December 31 year end for the fiscal year ended December 31, 2014.

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

December 31, 2014

TOTAL PENSION LIABILITY

Service cost	\$ 826,153
Interest	2,120,601
Changes of benefit terms	-
Differences between expected and actual experience	(74,557)
Changes of assumptions	884,268
Benefit payments, including refunds of member contributions	<u>1,164,414</u>

Net change in total pension liability 4,920,879

Total pension liability - beginning 44,456,711

TOTAL PENSION LIABILITY - ENDING \$ 49,377,590

PLAN FIDUCIARY NET POSITION

Contributions - employer	\$ 1,275,435
Contributions - member	323,746
Net investment income	381,291
Benefit payments, including refunds of member contributions	(1,164,414)
Administrative expense	<u>(17,064)</u>

Net change in plan fiduciary net position 798,994

Plan fiduciary net position - beginning 26,222,204

PLAN FIDUCIARY NET POSITION - ENDING \$ 27,021,198

EMPLOYER'S NET PENSION LIABILITY \$ 22,356,392

Plan fiduciary net position
as a percentage of the total pension liability 54.72%

Covered-employee payroll \$ 5,101,739

Employer's net pension liability
as a percentage of covered-employee payroll 438.21%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

December 31, 2014

TOTAL PENSION LIABILITY

Service cost	\$ 534,054
Interest	1,153,817
Changes of benefit terms	-
Differences between expected and actual experience	(123,447)
Changes of assumptions	(297,826)
Benefit payments, including refunds of member contributions	<u>593,064</u>

Net change in total pension liability 1,859,662

Total pension liability - beginning 24,168,610

TOTAL PENSION LIABILITY - ENDING \$ 26,028,272

PLAN FIDUCIARY NET POSITION

Contributions - employer	\$ 714,492
Contributions - member	184,034
Net investment income	216,907
Benefit payments, including refunds of member contributions	(593,064)
Administrative expense	<u>(12,919)</u>

Net change in plan fiduciary net position 509,450

Plan fiduciary net position - beginning 14,815,557

PLAN FIDUCIARY NET POSITION - ENDING \$ 15,325,007

EMPLOYER'S NET PENSION LIABILITY \$ 10,703,265

Plan fiduciary net position
as a percentage of the total pension liability 58.88%

Covered-employee payroll \$ 2,980,239

Employer's net pension liability
as a percentage of covered-employee payroll 359.14%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

December 31, 2014

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	2.154%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

December 31, 2014

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	2.245%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

BUDGETS

All departments of the Village submit budget requests to the Village Manager (except for the Foreign Fire Insurance Tax and the TIF #5 Funds) in September of each year so that a budget may be prepared. The budget is prepared by fund, and includes information on the past year, current year estimates and requested budget for the next fiscal year, covering a period from May 1st to December 31st.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may adjust proposed budgeted amounts. The final budget must be approved by December 31 through passage of an ordinance.

Management is authorized to transfer budgeted amounts within any fund without the approval of the governing body. The budget may be amended by the governing body. Expenditures may not legally exceed the budget at the fund level, the Village's legal level of budgetary control.

The budget is adopted on the modified accrual basis of accounting and the current financial resources measurement focus, consistent with GAAP. Annual budgets are adopted for the General, Special Revenue (except for Tax Increment Financing #2), Debt Service, Capital Projects, Enterprise, Internal Service (Central Equipment) and Pension Trust Funds. Budgetary comparisons are reflected in the Village's financial report for all governmental funds.

The following funds had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
SSA #6	\$ 21,783

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

These financial statements and schedules are not required by the Governmental Accounting Standards Board (GASB), nor a part of the basic financial statements, but are presented for the purpose of additional analysis.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund: This fund is used to account for resources traditionally associated with the Village's operations that are not accounted for in another fund.

SPECIAL REVENUE FUND

Motor Fuel Tax Fund: This fund is used to account for the revenues restricted for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of the state gasoline taxes. The schedule of revenues, expenditures and changes in fund balance for this fund is located in the required supplementary information section of this report.

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
TAXES			
Property tax	\$ 8,466,174	\$ 8,466,174	\$ 8,672,223
Municipal sales tax	3,394,223	3,394,223	3,723,114
Home rule sales tax	2,213,542	2,213,542	2,524,471
Real estate transfer tax	176,174	176,174	333,249
Use tax	499,820	499,820	545,220
Utility tax - simplified telephone	649,550	649,550	486,368
Utility tax - natural gas	87,197	87,197	88,079
Utility tax - electric	314,536	314,536	645,153
Prepared food tax	683,160	683,160	732,613
Video gaming tax	7,000	-	-
Auto rental tax	-	-	12,486
Hotel/motel tax	32,369	32,369	35,800
Total taxes	<u>16,523,745</u>	<u>16,516,745</u>	<u>17,798,776</u>
LICENSES AND PERMITS			
Licenses			
Business	11,000	11,000	3,507
Liquor	63,674	63,674	51,755
Contractor	25,885	25,885	22,697
Vendor/solicitor	200	200	2,300
Animal	400	400	540
Penalties on licenses	6,500	6,500	2,625
Multi-family	58,150	58,150	51,325
Single family	51,300	51,300	52,600
Cable franchise fee	282,090	282,090	271,396
Solid waste franchise fee	83,103	83,103	66,615
Permits			
Building - DuPage	17,000	17,000	96,622
Building - Cook	25,000	25,000	92,195
Sign	2,700	2,700	2,102
Video gaming terminal	1,000	-	-
Total licenses and permits	<u>628,002</u>	<u>627,002</u>	<u>716,279</u>
CHARGES FOR SERVICES			
Printed materials	3,094	3,094	2,545
Ambulance fees	395,000	395,000	404,052
Plan review - community development	10,000	10,000	43,281
Building reinspection fees	1,600	1,600	1,800
Vehicle impoundment fees	433,333	433,333	335,500
CPR fees	1,500	1,500	1,795
ADT administrative fee	4,200	4,200	4,604
Public safety application fee	3,944	3,944	3,220
Child safety seat installation	100	100	210
Inspection fee - miscellaneous	-	-	600
Highlighter advertising	-	-	650
Rental income	239,906	239,906	237,041
Fire training course	-	-	1,520
Total charges for services	<u>1,092,677</u>	<u>1,092,677</u>	<u>1,036,818</u>

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Actual	Actual
FINES AND FORFEITS			
Traffic fines - DuPage	\$ 25,333	\$ 25,333	\$ 28,311
Traffic fines - Cook	80,000	80,000	114,976
Ordinance violations	178,860	178,860	258,769
Police false alarm fines	3,000	3,000	(1,025)
Fire false alarm fines	4,000	4,000	2,764
Red light camera fines	94,667	94,667	61,348
Kennel fees	1,000	1,000	985
Total fines and forfeits	<u>386,860</u>	<u>386,860</u>	<u>466,128</u>
INTERGOVERNMENTAL			
State income tax	2,339,945	2,339,945	2,335,241
Replacement taxes	47,890	47,890	51,600
Reimbursement - DuPage County	14,959	14,959	10,360
Reimbursement - ILEAS	-	-	19,245
Reimbursement - ILEOT Boards	6,000	6,000	-
Reimbursement - police services	5,600	600	12,727
Reimbursement - fire services	5,300	5,300	14,464
Total intergovernmental	<u>2,419,694</u>	<u>2,414,694</u>	<u>2,443,637</u>
INVESTMENT INCOME			
	<u>18,393</u>	<u>18,393</u>	<u>51,739</u>
MISCELLANEOUS			
Reimbursement - miscellaneous	12,000	12,000	21,652
Hazardous materials	3,300	3,300	22,569
Corporate partnership program	6,500	6,500	100
Miscellaneous income	55,790	55,790	130,246
Total miscellaneous	<u>77,590</u>	<u>77,590</u>	<u>174,567</u>
TOTAL REVENUES	<u>\$ 21,146,961</u>	<u>\$ 21,133,961</u>	<u>\$ 22,687,944</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
President and board of trustees			
Personal services	\$ 24,975	\$ 24,975	\$ 21,587
Commodities	48,339	48,339	42,972
Contractual services	25,130	25,130	16,698
Total president and board of trustees	98,444	98,444	81,257
Village clerk			
Personal services	57,374	57,374	42,047
Commodities	1,110	1,110	964
Contractual services	30,615	30,615	17,768
Total village clerk	89,099	89,099	60,779
Village collector			
Personal services	49,883	49,883	56,663
Total village collector	49,883	49,883	56,663
Environmental committee			
Commodities	250	250	314
Contractual services	1,900	1,900	1,197
Total environmental committee	2,150	2,150	1,511
Cultural inclusion and diversity committee			
Commodities	650	650	-
Contractual services	1,900	1,900	500
Total cultural inclusion and diversity committee	2,550	2,550	500
Sister City committee			
Commodities	650	650	539
Contractual services	1,400	1,400	454
Total sister City committee	2,050	2,050	993
Citizens corp council committee			
Commodities	1,600	1,600	-
Contractual services	200	200	-
Total citizens corp council committee	1,800	1,800	-

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Veterans committee			
Commodities	\$ 600	\$ 600	\$ 149
Contractual services	1,110	1,110	747
Total veterans committee	1,710	1,710	896
Development commission			
Commodities	550	550	50
Contractual services	1,300	1,300	250
Total development commission	1,850	1,850	300
CONNECT committee			
Commodities	800	800	33
Contractual services	3,350	3,350	933
Total CONNECT committee	4,150	4,150	966
Village manager			
Personal services	198,922	198,922	199,156
Commodities	2,763	3,433	2,596
Contractual services	21,510	21,510	17,161
Total village manager	223,195	223,865	218,913
Human resources			
Personal services	205,779	205,779	198,129
Commodities	27,314	27,314	19,577
Contractual services	72,060	72,060	45,579
Total human resources	305,153	305,153	263,285
Special events			
Contractual services	21,525	21,525	10,732
Commodities	-	-	50
Total special events	21,525	21,525	10,782
Information technology			
Personal services	174,446	174,446	184,937
Commodities	55,732	55,732	57,973
Contractual services	445,278	445,278	401,577
Total information technology	675,456	675,456	644,487

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance department administration			
Personal services	\$ 99,813	\$ 99,813	\$ 88,540
Commodities	1,175	1,175	615
Contractual services	12,510	12,510	64,173
Total finance department administration	113,498	113,498	153,328
Collections			
Personal services	89,128	89,128	103,698
Commodities	3,650	3,650	3,433
Contractual services	2,510	2,510	3,133
Total collections	95,288	95,288	110,264
General accounting			
Personal services	103,091	103,091	108,846
Commodities	175	175	698
Contractual services	41,956	41,956	46,882
Total general accounting	145,222	145,222	156,426
General administrative services			
Personal services	320,890	320,890	54,530
Contractual services	599,022	658,706	667,640
Total general administrative services	919,912	979,596	722,170
Total general government	2,752,935	2,813,289	2,483,520
PUBLIC WORKS			
Administration			
Personal services	105,393	105,393	86,514
Commodities	1,075	1,075	570
Contractual services	7,942	7,942	28,654
Total administration	114,410	114,410	115,738
Streets			
Personal services	626,695	626,695	546,952
Commodities	72,270	72,270	54,319
Contractual services	290,070	290,070	263,373
Total streets	989,035	989,035	864,644

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Forestry			
Personal services	\$ 147,770	\$ 147,770	\$ 108,477
Commodities	9,480	9,480	12,738
Contractual services	253,667	253,667	220,121
Total forestry	410,917	410,917	341,336
Building			
Personal services	195,266	195,266	191,660
Commodities	66,695	66,695	61,966
Contractual services	134,787	134,787	120,901
Total building	396,748	396,748	374,527
Fleet services administration			
Personal services	297,307	297,307	302,007
Commodities	393,345	393,345	396,039
Contractual services	57,973	57,973	74,933
Total fleet services administration	748,625	748,625	772,979
Department of engineering			
Personal services	174,819	174,819	151,512
Commodities	2,810	2,810	1,472
Contractual services	17,012	17,012	8,420
Total department of engineering	194,641	194,641	161,404
MWRD property			
Contractual services	7,510	7,510	14,000
Total MWRD property	7,510	7,510	14,000
Total public works	2,861,886	2,861,886	2,644,628
PUBLIC SAFETY			
Fire department			
Administration			
Personal services	356,189	356,189	362,925
Commodities	8,435	8,435	4,091
Contractual services	26,954	26,954	10,275
Total administration	391,578	391,578	377,291

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Fire suppression			
Personal services	\$ 3,136,229	\$ 3,136,229	\$ 3,214,696
Commodities	37,956	37,956	39,271
Contractual services	368,980	368,980	409,048
Total fire suppression	3,543,165	3,543,165	3,663,015
Inspections			
Personal services	391,699	391,699	375,271
Commodities	5,624	5,624	5,315
Contractual services	30,870	30,870	32,509
Total inspections	428,193	428,193	413,095
Emergency transport			
Personal services	37,380	37,380	27,889
Commodities	1,660	1,660	301
Contractual services	100,559	40,875	-
Total emergency transport	139,599	79,915	28,190
Total fire department	4,502,535	4,442,851	4,481,591
Police department			
Administration			
Personal services	537,074	537,074	609,137
Commodities	6,748	6,748	6,941
Contractual services	24,580	17,680	18,846
Total administration	568,402	561,502	634,924
Patrol division			
Personal services	4,956,367	4,956,367	4,925,965
Commodities	42,593	42,593	30,345
Contractual services	263,741	263,741	247,589
Total patrol division	5,262,701	5,262,701	5,203,899
Investigations			
Personal services	1,082,645	1,082,645	1,141,833
Commodities	21,421	21,421	23,374
Contractual services	60,611	60,611	54,623
Total investigations	1,164,677	1,164,677	1,219,830

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Department)			
Community services			
Personal services	\$ 60,022	\$ 60,022	\$ 59,803
Commodities	167	167	25
Contractual services	2,706	2,706	1,520
Total community services	62,895	62,895	61,348
Staff services			
Personal services	626,118	626,118	541,061
Commodities	32,443	32,443	24,674
Contractual services	507,182	507,182	499,576
Total staff services	1,165,743	1,165,743	1,065,311
Code enforcement			
Personal services	345,039	345,039	301,419
Commodities	4,349	4,349	3,324
Contractual services	46,416	46,416	50,019
Total code enforcement	395,804	395,804	354,762
Total police department	8,620,222	8,613,322	8,540,074
Emergency services			
Commodities	2,254	2,254	1,480
Contractual services	6,067	6,067	4,552
Total emergency services	8,321	8,321	6,032
Total public safety	13,131,078	13,064,494	13,027,697
COMMUNITY DEVELOPMENT			
Economic development			
Personal services	220,054	220,054	204,839
Commodities	3,765	3,765	2,064
Contractual services	1,390,938	1,390,938	1,368,162
Total economic development	1,614,757	1,614,757	1,575,065
Total community development	1,614,757	1,614,757	1,575,065
TOTAL EXPENDITURES	\$ 20,360,656	\$ 20,354,426	\$ 19,730,910

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Road and Bridge Fund: The fund is used to account for the revenues restricted for the operation and maintenance of the Village's roads and bridges. Financing provided by the Village's annual property tax levy and contributions from other government agencies.

MWRD Fields Fund: This fund is used to account for the revenues restricted for the maintenance and improvement of the MWRD fields. Financing provided by video gaming tax and permit revenues.

State Restricted Fund: This fund is used to account for revenues restricted by state statute for general law enforcement purposes. Financing provided by various state asset seizure funds.

Federal Restricted Fund: This fund is used to account for revenues restricted by federal statute for general law enforcement purposes. Financing provided by DEA seized funds.

Foreign Fire Insurance Tax Fund: This fund is used to account for revenues restricted for fire department purposes. Financing provided by foreign fire insurance tax proceeds.

Tax Increment Financing #2 Fund: This fund accounts for the restricted financing of improvements in the Barrington-Irving Park Road Tax Increment Financing Redevelopment Project Area. Financing is provided by property tax increment within the district.

Tax Increment Financing #3 Fund: This fund is used to account for the restricted financing of improvements in the Village Center Tax Increment Financing Redevelopment Project Area. Financing is being provided by incremental revenues from real property taxes.

Tax Increment Financing #4 Fund: This fund is used to account for the restricted financing of improvements in the redevelopment district located at Barrington and Irving Park Roads. Revenues include incremental property taxes from the TIF district.

Tax Increment Financing #5 Fund: This fund is used to account for the restricted financing of improvements in the redevelopment district located at Irving Park Road East. Financing is provided by incremental revenues from real property taxes.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Special Service Area #3 Fund: The Special Service Area #3 Fund is used to account for the restricted financing of public improvements and scavenger and snow removal services for multi-family housing units located on Astor Avenue. Funding is provided by taxes to be levied upon the taxable property in that area of the Village designated as the “Village of Hanover Park Special Service Area Number Three.”

Special Service Area #4 Fund: The Special Service Area #4 Fund is used to account for the restricted financing of public improvements and scavenger service and snow removal services for multi-family housing units located on Mark Thomas and Leslie Lanes. Funding is provided by taxes to be levied upon property in that area of the Village designated as the “Village of Hanover Park Special Service Area Number Four.”

Special Service Area #5 Fund: The Special Service Area #5 Fund is used to account for the restricted financing of public improvements and scavenger services for multi-family housing units located in the Tanglewood development. Funding is provided by taxes to be levied upon taxable property in that area of the Village designated as the “Village of Hanover Park Special Service Area Number Five.”

DEBT SERVICE FUNDS

General Obligation Bond Series of 2010 Fund: This fund is used to accumulate monies restricted for the payment of the \$10,000,000 General Obligation Bond Series of 2010 until maturity in 2029. These bonds were issued to finance the construction of a new police facility.

General Obligation Bond Series of 2010A Fund: This fund is used to accumulate monies restricted for the payment of the \$5,000,000 General Obligation Bond Series of 2010A until maturity in 2030. These bonds were issued to finance the construction of a new police facility.

General Obligation Bond Series of 2011 Fund: This fund is used to accumulate monies restricted for the payment of the \$7,000,000 General Obligation Bond Series of 2004 and the subsequent refunding of those bonds with the \$7,030,000 General Obligation Refunding Bond Series of 2011. These bonds were issued to finance the construction of a new headquarters fire station. Financing is provided by an annual property tax levy. The debt payments have been structured so that they are lower in the earlier years, while the 2001 and 2002 issues are outstanding.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

Special Service Area #6 Fund: The Special Service Area #6 Fund accounts for the restricted financing of public improvements and eventually scavenger services, for the Hanover Square multi-family housing units. Initial funding was provided by an advance from the General Fund. Resources include special service area property taxes.

General Capital Projects Fund: The General Capital Projects Fund is used to account for the purchase of land, machinery, office equipment and furniture and for various capital improvements. Resources are assigned and provided from transfers from other funds.

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2014

	Special Revenue				
	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted	Foreign Fire Insurance Tax
ASSETS					
Cash and investments	\$ 1,102,077	\$ 63,715	\$ 232,389	\$ 1,479	\$ 21,638
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	-	-	-	-
Accounts	80	7,495	1,580	-	-
TOTAL ASSETS	\$ 1,102,157	\$ 71,210	\$ 233,969	\$ 1,479	\$ 21,638
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 37,543	\$ -	\$ 9,312	\$ -	\$ -
Contractors' payable	-	-	-	-	-
Other payables	-	-	-	-	-
Unearned revenue	130,000	-	1,420	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	167,543	-	10,732	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	167,543	-	10,732	-	-
FUND BALANCES					
Restricted					
Public safety	-	-	223,237	1,479	21,638
Highways and streets	934,614	71,210	-	-	-
Debt service	-	-	-	-	-
Community development	-	-	-	-	-
Special service areas	-	-	-	-	-
Unrestricted					
Assigned					
Capital improvements	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	934,614	71,210	223,237	1,479	21,638
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,102,157	\$ 71,210	\$ 233,969	\$ 1,479	\$ 21,638

Special Revenue							Debt Service
Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ 66,783	\$ 2,161,461	\$ (4,261)	\$ 4,132	\$ 47,579	\$ 76,732	\$ 309,015	\$ 91,059
-	-	-	-	14,815	18,000	269,355	614,019
-	-	88,987	-	-	-	-	-
<u>\$ 66,783</u>	<u>\$ 2,161,461</u>	<u>\$ 84,726</u>	<u>\$ 4,132</u>	<u>\$ 62,394</u>	<u>\$ 94,732</u>	<u>\$ 578,370</u>	<u>\$ 705,078</u>
\$ 66,783	\$ 114,784	\$ 367	\$ -	\$ 3,400	\$ 2,648	\$ 16,458	\$ -
-	-	-	-	-	-	6,729	-
-	20,074	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	16,157	-	-	6	-
-	-	106,623	-	-	-	-	-
<u>66,783</u>	<u>134,858</u>	<u>106,990</u>	<u>16,157</u>	<u>3,400</u>	<u>2,648</u>	<u>23,193</u>	<u>-</u>
-	-	-	-	14,815	18,000	269,355	614,019
-	-	-	-	14,815	18,000	269,355	614,019
<u>66,783</u>	<u>134,858</u>	<u>106,990</u>	<u>16,157</u>	<u>18,215</u>	<u>20,648</u>	<u>292,548</u>	<u>614,019</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,026,603	-	-	-	-	-	91,059
-	-	-	-	44,179	74,084	285,822	-
-	-	-	-	-	-	-	-
-	-	(22,264)	(12,025)	-	-	-	-
<u>-</u>	<u>2,026,603</u>	<u>(22,264)</u>	<u>(12,025)</u>	<u>44,179</u>	<u>74,084</u>	<u>285,822</u>	<u>91,059</u>
<u>\$ 66,783</u>	<u>\$ 2,161,461</u>	<u>\$ 84,726</u>	<u>\$ 4,132</u>	<u>\$ 62,394</u>	<u>\$ 94,732</u>	<u>\$ 578,370</u>	<u>\$ 705,078</u>

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (Continued)

December 31, 2014

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
ASSETS					
Cash and investments	\$ 10,071	\$ 113,798	\$ 114,262	\$ 442,128	\$ 4,854,057
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	341,091	646,813	75,775	-	1,979,868
Accounts	-	-	-	2,425	100,567
TOTAL ASSETS	\$ 351,162	\$ 760,611	\$ 190,037	\$ 444,553	\$ 6,934,492
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 69,864	\$ 321,159
Contractors' payable	-	-	-	1,487	8,216
Other payables	-	-	-	-	20,074
Unearned revenue	-	-	-	-	131,420
Due to other funds	149,137	-	-	-	165,300
Advances from other funds	-	-	425,000	-	531,623
Total liabilities	149,137	-	425,000	71,351	1,177,792
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	341,091	646,813	75,775	-	1,979,868
Total deferred inflows of resources	341,091	646,813	75,775	-	1,979,868
Total liabilities and deferred inflows of resources	490,228	646,813	500,775	71,351	3,157,660
FUND BALANCES					
Restricted					
Public safety	-	-	-	-	246,354
Highways and streets	-	-	-	-	1,005,824
Debt service	-	113,798	-	-	204,857
Community development	-	-	-	-	2,026,603
Special service areas	-	-	-	-	404,085
Unrestricted					
Assigned					
Capital improvements	-	-	-	373,202	373,202
Unassigned (deficit)	(139,066)	-	(310,738)	-	(484,093)
Total fund balances (deficit)	(139,066)	113,798	(310,738)	373,202	3,776,832
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 351,162	\$ 760,611	\$ 190,037	\$ 444,553	\$ 6,934,492

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Eight-Month Period Ended December 31, 2014

	<u>Special Revenue</u>			
	<u>Road and Bridge</u>	<u>MWRD Fields</u>	<u>State Restricted</u>	<u>Federal Restricted</u>
REVENUES				
Taxes				
Property taxes	\$ 82,417	\$ -	\$ -	\$ -
Video gaming tax	-	49,400	-	-
Foreign fire insurance tax	-	-	-	-
Intergovernmental				
Personal property replacement taxes	345	-	-	-
Grants	12,500	-	-	-
Other intergovernmental	-	-	-	-
Licenses and permits	-	2,500	-	-
Fines and forfeits	-	-	70,692	-
Investment income	1,635	1	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>96,897</u>	<u>51,901</u>	<u>70,692</u>	<u>-</u>
EXPENDITURES				
Current				
Community development	-	-	16,044	-
Highways and streets	17,529	-	-	-
Capital outlay	21,750	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	<u>39,279</u>	<u>-</u>	<u>16,044</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>57,618</u>	<u>51,901</u>	<u>54,648</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	19,309	168,589	1,479
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>19,309</u>	<u>168,589</u>	<u>1,479</u>
NET CHANGE IN FUND BALANCES	57,618	71,210	223,237	1,479
FUND BALANCES (DEFICIT), MAY 1	876,996	-	-	-
FUND BALANCE (DEFICIT), DECEMBER 31	<u>\$ 934,614</u>	<u>\$ 71,210</u>	<u>\$ 223,237</u>	<u>\$ 1,479</u>

Special Revenue							Debt Service
Foreign Fire Insurance Tax	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ -	\$ 1,110,324	\$ -	\$ 4,455	\$ 9,547	\$ 13,811	\$ 255,514	\$ 555,929
-	-	-	-	-	-	-	-
27,241	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	163,453
-	-	-	-	-	-	-	-
-	1,761	12	-	92	62	29	149
-	-	-	-	-	-	-	-
27,241	1,112,085	12	4,455	9,639	13,873	255,543	719,531
-	159,130	7,739	323	15,359	13,730	92,258	-
-	-	-	-	-	-	-	-
5,603	1,108,757	-	-	7,053	-	25,533	-
-	-	-	-	-	-	-	290,000
-	-	-	-	-	-	-	503,513
-	-	-	-	-	-	-	1,053
5,603	1,267,887	7,739	323	22,412	13,730	117,791	794,566
21,638	(155,802)	(7,727)	4,132	(12,773)	143	137,752	(75,035)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(76,129)
-	-	-	-	-	-	-	(76,129)
21,638	(155,802)	(7,727)	4,132	(12,773)	143	137,752	(151,164)
-	2,182,405	(14,537)	(16,157)	56,952	73,941	148,070	242,223
\$ 21,638	\$ 2,026,603	\$ (22,264)	\$ (12,025)	\$ 44,179	\$ 74,084	\$ 285,822	\$ 91,059

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)

For the Eight-Month Period Ended December 31, 2014

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
REVENUES					
Taxes					
Property taxes	\$ 127,787	\$ 552,084	\$ 39,222	\$ -	\$ 2,751,090
Video gaming tax	-	-	-	-	49,400
Foreign fire insurance tax	-	-	-	-	27,241
Intergovernmental					
Personal property replacement taxes	-	-	-	-	345
Grants	-	-	-	-	12,500
Other intergovernmental	96,759	-	-	-	260,212
Licenses and permits	-	-	-	-	2,500
Fines and forfeits	-	-	-	-	70,692
Investment income	20	39	22	9	3,831
Miscellaneous	-	-	-	2,084	2,084
Total revenues	224,566	552,123	39,244	2,093	3,179,895
EXPENDITURES					
Current					
Community development	-	-	108	-	304,691
Highways and streets	-	-	-	-	17,529
Capital outlay	-	-	-	854,024	2,022,720
Debt service					
Principal retirement	100,000	485,000	-	-	875,000
Interest	298,063	156,513	26,675	-	984,764
Fiscal charges	-	803	-	-	1,856
Total expenditures	398,063	642,316	26,783	854,024	4,206,560
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,497)	(90,193)	12,461	(851,931)	(1,026,665)
OTHER FINANCING SOURCES (USES)					
Transfers in	118,619	-	-	1,100,530	1,408,526
Transfers (out)	-	(42,490)	-	-	(118,619)
Total other financing sources (uses)	118,619	(42,490)	-	1,100,530	1,289,907
NET CHANGE IN FUND BALANCES	(54,878)	(132,683)	12,461	248,599	263,242
FUND BALANCES (DEFICIT), MAY 1	(84,188)	246,481	(323,199)	124,603	3,513,590
FUND BALANCE (DEFICIT), DECEMBER 31	\$ (139,066)	\$ 113,798	\$ (310,738)	\$ 373,202	\$ 3,776,832

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ROAD AND BRIDGE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 88,460	\$ 88,460	\$ 82,417
Intergovernmental			
Personal property replacement taxes	1,716	1,716	345
State grants - MWRD	-	-	12,500
Investment income	1,880	1,880	1,635
Total revenues	92,056	92,056	96,897
EXPENDITURES			
Current			
Highways and streets	167,500	167,500	17,529
Capital outlay	24,000	24,000	21,750
Total expenditures	191,500	191,500	39,279
NET CHANGE IN FUND BALANCE	\$ (99,444)	\$ (99,444)	57,618
FUND BALANCE, MAY 1			876,996
FUND BALANCE, DECEMBER 31			\$ 934,614

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MWRD FIELDS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 7,000	\$ 7,000	\$ 49,400
Licenses and permits	1,000	1,000	2,500
Investment income	-	-	1
Total revenues	8,000	8,000	51,901
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,000	8,000	51,901
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	19,309
Total other financing sources (uses)	-	-	19,309
NET CHANGE IN FUND BALANCE	<u>\$ 8,000</u>	<u>\$ 8,000</u>	71,210
FUND BALANCE, MAY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 71,210</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATE RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Fines and forfeits			
DUI fines	\$ -	\$ -	\$ 19,171
Traffic court supervision	-	-	14,759
Drug forfeiture	-	5,000	36,722
Fees	-	-	40
Total revenues	-	5,000	70,692
EXPENDITURES			
Current			
Contractual services	17,500	17,500	16,044
Total expenditures	17,500	17,500	16,044
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,500)	(12,500)	54,648
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	168,589
Total other financing sources (uses)	-	-	168,589
NET CHANGE IN FUND BALANCE	\$ (17,500)	\$ (12,500)	223,237
FUND BALANCE, MAY 1			-
FUND BALANCE, DECEMBER 31			\$ 223,237

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FEDERAL RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,479
Total other financing sources (uses)	-	-	1,479
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,479
FUND BALANCE, MAY 1			-
FUND BALANCE, DECEMBER 31			<u>\$ 1,479</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 625,762	\$ 625,762	\$ 1,110,324
Investment income	1,356	1,356	1,761
Total revenues	<u>627,118</u>	<u>627,118</u>	<u>1,112,085</u>
EXPENDITURES			
Current			
Community development			
Contractual services	234,948	234,948	159,130
Capital outlay	1,171,200	1,171,200	1,108,757
Total expenditures	<u>1,406,148</u>	<u>1,406,148</u>	<u>1,267,887</u>
NET CHANGE IN FUND BALANCE	<u>\$ (779,030)</u>	<u>\$ (779,030)</u>	(155,802)
FUND BALANCE, MAY 1			<u>2,182,405</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,026,603</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 47	\$ 47	\$ 12
Total revenues	<u>47</u>	<u>47</u>	<u>12</u>
EXPENDITURES			
Current			
Community development			
Contractual services	17,000	17,000	7,739
Capital outlay	5,000	5,000	-
Total expenditures	<u>22,000</u>	<u>22,000</u>	<u>7,739</u>
NET CHANGE IN FUND BALANCE	<u>\$ (21,953)</u>	<u>\$ (21,953)</u>	(7,727)
FUND BALANCE (DEFICIT), MAY 1			<u>(14,537)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (22,264)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 10,506	\$ 10,506	\$ 9,547
Investment income	128	128	92
Total revenues	<u>10,634</u>	<u>10,634</u>	<u>9,639</u>
EXPENDITURES			
Community development			
Contractual services			
Equipment rentals	14,815	14,815	15,359
Capital outlay	-	-	7,053
Total expenditures	<u>14,815</u>	<u>14,815</u>	<u>22,412</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,181)</u>	<u>\$ (4,181)</u>	(12,773)
FUND BALANCE, MAY 1			<u>56,952</u>
FUND BALANCE, DECEMBER 31			<u>\$ 44,179</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #4 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 23,021	\$ 23,021	\$ 13,811
Investment income	94	94	62
Total revenues	<u>23,115</u>	<u>23,115</u>	<u>13,873</u>
EXPENDITURES			
Community development Contractual services	<u>18,000</u>	<u>18,000</u>	<u>13,730</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>13,730</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,115</u>	<u>\$ 5,115</u>	143
FUND BALANCE, MAY 1			<u>73,941</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 74,084</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #5 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 274,305	\$ 274,305	\$ 255,514
Investment income	101	101	29
	<hr/>		
Total revenues	274,406	274,406	255,543
	<hr/>		
EXPENDITURES			
Current			
Community development			
Contractual services	72,800	72,800	92,258
Capital outlay	200,000	200,000	25,533
	<hr/>		
Total expenditures	272,800	272,800	117,791
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 1,606	\$ 1,606	137,752
	<hr/>		
FUND BALANCE, MAY 1			148,070
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 285,822
	<hr/>		

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 575,100	\$ 575,100	\$ 555,929
Intergovernmental	162,131	162,131	163,453
Investment income	201	201	149
	<hr/>		
Total revenues	737,432	737,432	719,531
	<hr/>		
EXPENDITURES			
Debt service			
Principal	290,000	290,000	290,000
Interest	503,513	503,513	503,513
Fiscal charge	678	678	1,053
	<hr/>		
Total expenditures	794,191	794,191	794,566
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,759)	(56,759)	(75,035)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(76,129)
Prior year budgeted surplus	57,200	57,200	-
	<hr/>		
Total other financing sources (uses)	57,200	57,200	(76,129)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 441</u>	<u>\$ 441</u>	(151,164)
	<hr/>		
FUND BALANCE, MAY 1			<u>242,223</u>
	<hr/>		
FUND BALANCE, DECEMBER 31			<u><u>\$ 91,059</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010A FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 102,210	\$ 102,210	\$ 127,787
Intergovernmental	95,976	95,976	96,759
Investment income	160	160	20
	<hr/>	<hr/>	<hr/>
Total revenues	198,346	198,346	224,566
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal	100,000	100,000	100,000
Interest	298,063	298,063	298,063
Fiscal charge	678	678	-
	<hr/>	<hr/>	<hr/>
Total expenditures	398,741	398,741	398,063
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> (200,395)	<hr/> (200,395)	<hr/> (173,497)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	118,619
Prior year budgeted surplus	200,395	200,395	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	200,395	200,395	118,619
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>(54,878)</u>
FUND BALANCE (DEFICIT), MAY 1			<hr/> (84,188)
FUND BALANCE (DEFICIT), DECEMBER 31			<hr/> <u>\$ (139,066)</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2011 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 574,500	\$ 574,500	\$ 552,084
Investment income	200	200	39
Total revenues	574,700	574,700	552,123
EXPENDITURES			
Debt service			
Principal	485,000	485,000	485,000
Interest	156,513	156,513	156,513
Fiscal charge	428	428	803
Total expenditures	641,941	641,941	642,316
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,241)	(67,241)	(90,193)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	(42,490)
Prior year budgeted surplus	67,241	67,241	-
Total other financing sources (uses)	67,241	67,241	(42,490)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(132,683)
FUND BALANCE, MAY 1			246,481
FUND BALANCE, DECEMBER 31			\$ 113,798

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #6 FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 38,892	\$ 38,892	\$ 39,222
Investment income	56	56	22
Total revenues	<u>38,948</u>	<u>38,948</u>	<u>39,244</u>
EXPENDITURES			
Community development			
Contractual services	5,000	5,000	108
Debt service			
Interest	-	-	26,675
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>26,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>33,948</u>	<u>33,948</u>	<u>12,461</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(26,675)</u>	<u>(26,675)</u>	-
Total other financing sources (uses)	<u>(26,675)</u>	<u>(26,675)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ 7,273</u>	<u>\$ 7,273</u>	12,461
FUND BALANCE (DEFICIT), MAY 1			<u>(323,199)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (310,738)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 9
Miscellaneous	-	-	2,084
Total revenues	-	-	2,093
EXPENDITURES			
Capital outlay			
Buildings	245,000	245,000	148,354
Other improvements	263,000	263,000	212,566
Office equipment	174,000	174,000	412,047
Other equipment	293,280	293,280	81,057
Total expenditures	975,280	975,280	854,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(975,280)	(975,280)	(851,931)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,100,530	1,100,530	1,100,530
Total other financing sources (uses)	1,100,530	1,100,530	1,100,530
NET CHANGE IN FUND BALANCE	\$ 125,250	\$ 125,250	248,599
FUND BALANCE, MAY 1			124,603
FUND BALANCE, DECEMBER 31			\$ 373,202

(See independent auditor's report.)

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Waterworks and Sewerage Fund: The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Municipal Railroad Parking Lot Fund: The Municipal Railroad Parking Lot Fund is used to account for the provision of parking services to the residents of the Village and surrounding communities. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and collections.

Hanover Square Fund: The Hanover Square Fund is used to account for the operation and maintenance of the Hanover Square shopping center. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and collections. This property was purchased using TIF #3 funding. Any profits realized at the termination of this fund will revert back to TIF #3.

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water sales	\$ 5,749,917	\$ 5,749,917	\$ 4,978,209
Sewer service	1,746,981	1,746,981	1,819,556
Water penalties	156,075	156,075	88,675
Water tap-on fees	25,770	25,770	-
Meter sales	1,300	1,300	987
Miscellaneous	163,440	163,440	202,437
Total operating revenues	7,843,483	7,843,483	7,089,864
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Administration			
Personal services	905,283	905,283	801,759
Commodities	6,764	6,764	10,886
Contractual services	367,677	367,677	360,212
Operations - water			
Personal services	584,212	584,212	480,105
Commodities	83,725	83,725	84,160
Contractual services	3,603,176	3,603,176	3,287,402
Capital outlay	573,000	573,000	694,483
Operations - sewer			
Personal services	625,636	625,636	653,660
Commodities	74,953	74,953	51,147
Contractual services	831,542	831,542	625,743
Capital outlay	295,000	295,000	536,324
Debt service			
Principal	216,326	216,326	216,327
Total operating expenses excluding depreciation	8,167,294	8,167,294	7,802,208
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(323,811)	(323,811)	(712,344)
DEPRECIATION	1,014,213	1,014,213	638,481
OPERATING INCOME (LOSS)	(1,338,024)	(1,338,024)	(1,350,825)

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 9,750	\$ 9,750	\$ 10,957
Other income	1,750	1,750	584,300
Interest expense	(24,457)	(24,457)	(28,623)
Total non-operating revenues (expenses)	(12,957)	(12,957)	566,634
INCOME (LOSS) BEFORE TRANSFERS	(1,350,981)	(1,350,981)	(784,191)
TRANSFERS			
Transfers (out)	(125,250)	(125,250)	(125,250)
Total transfers	(125,250)	(125,250)	(125,250)
NET INCOME (LOSS) - BUDGET BASIS	(1,476,231)	(1,476,231)	(909,441)
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	987,597
Principal paid	-	-	216,326
Total adjustments to GAAP basis	-	-	1,203,923
CHANGE IN NET POSITION	<u>\$ (1,476,231)</u>	<u>\$ (1,476,231)</u>	294,482
NET POSITION, MAY 1			<u>29,999,661</u>
NET POSITION, DECEMBER 31			<u><u>\$ 30,294,143</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

HANOVER SQUARE FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Rental income	\$ 416,424	\$ 416,424	\$ 529,672
Other	28,569	28,569	31,006
Total operating revenues	444,993	444,993	560,678
OPERATING EXPENSES			
Operations			
Commodities	100	100	-
Contractual services	540,568	540,568	453,842
Capital maintenance	429,183	429,183	112,414
Less capitalized assets	(112,414)	(112,414)	(112,414)
Depreciation	13,334	13,334	71,019
Total operating expenses	870,771	870,771	524,861
OPERATING INCOME (LOSS)	(425,778)	(425,778)	35,817
NON-OPERATING REVENUES (EXPENSES)			
Investment income	200	200	31
Other income	32,336	32,336	1,752
Total Non-operating Revenues (Expenses)	32,536	32,536	1,783
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(393,242)	(393,242)	37,600
CAPITAL CONTRIBUTIONS	-	-	1,135,765
TRANSFERS			
Transfers in	505,656	505,656	-
CHANGE IN NET POSITION	\$ 112,414	\$ 112,414	1,173,365
NET POSITION, MAY 1			3,056,178
NET POSITION, DECEMBER 31			\$ 4,229,543

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 319,020	\$ 319,020	\$ 265,895
Total operating revenues	<u>319,020</u>	<u>319,020</u>	<u>265,895</u>
OPERATING EXPENSES			
Operations			
Personal services	118,329	118,329	105,141
Commodities	9,194	9,194	4,332
Contractual services	63,956	63,956	55,041
Capital outlay	45,000	45,000	9,289
Depreciation	47,000	47,000	29,104
Total operating expenses	<u>283,479</u>	<u>283,479</u>	<u>202,907</u>
OPERATING INCOME (LOSS)	<u>35,541</u>	<u>35,541</u>	<u>62,988</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	150	150	114
Total non-operating revenues (expenses)	<u>150</u>	<u>150</u>	<u>114</u>
CHANGE IN NET POSITION	<u>\$ 35,691</u>	<u>\$ 35,691</u>	63,102
NET POSITION, MAY 1			<u>2,467,587</u>
NET POSITION, DECEMBER 31			<u><u>\$ 2,530,689</u></u>

(See independent auditor's report.)

INTERNAL SERVICE FUND

Central Equipment Fund: The Central Equipment Fund is used to account for the purchase of vehicles and equipment for various departments throughout the Village. Financing is provided by transfers from the various village funds. This fund is reported as a governmental activity.

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 1,188,890	\$ 998,604	\$ 1,380,536
Total operating revenues	1,188,890	998,604	1,380,536
OPERATING EXPENSES			
Capital outlay	312,000	686,634	995,681
Debt service			
Principal	49,707	49,707	-
Total operating expenses	361,707	736,341	995,681
OPERATING INCOME	827,183	262,263	384,855
NON-OPERATING REVENUES (EXPENSES)			
Investment income	12,500	12,500	(229,465)
Gain on disposal of capital assets	-	-	66,026
Total non-operating revenues (expenses)	12,500	12,500	(163,439)
NET INCOME - BUDGET BASIS	839,683	274,763	221,416
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	705,270
Depreciation	-	-	(324,852)
Total adjustments to GAAP basis	-	-	380,418
CHANGE IN NET POSITION	\$ 839,683	\$ 274,763	601,834
NET POSITION, MAY 1			7,325,519
NET POSITION, DECEMBER 31			\$ 7,927,353

(See independent auditor's report.)

FIDUCIARY FUNDS

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund: The Police Pension Fund is used to account for the accumulation of resources to be used for police pension benefit payments. Resources are provided by investment earnings, employee contributions at a rate fixed by law and by the Village at amounts determined by an actuary.

Firefighters' Pension Fund: The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for firefighters' pension benefit payments. Resources are provided by investment earnings, employee contributions at a rate fixed by law and by the Village at amounts determined by an actuary.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2014

	Pension Trust		
	Police	Firefighters'	
	Pension	Pension	Total
ASSETS			
Cash and cash equivalents	\$ 495,638	\$ 354,275	\$ 849,913
Investments			
U.S. government and agency obligations	10,497,610	5,876,261	16,373,871
Money market mutual funds	141,091	277,332	418,423
Mutual funds	15,678,068	8,729,452	24,407,520
Illinois Metropolitan Investment Fund	131,402	52,171	183,573
Receivables			
Accrued interest	48,569	30,286	78,855
Due from Village	38,137	10,877	49,014
Prepaid items	775	775	1,550
Total assets	27,031,290	15,331,429	42,362,719
LIABILITIES			
Accounts payable	10,092	6,422	16,514
Total liabilities	10,092	6,422	16,514
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 27,021,198	\$ 15,325,007	\$ 42,346,205

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Eight-Month Period Ended December 31, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 1,275,435	\$ 714,492	\$ 1,989,927
Employee contributions	323,746	184,034	507,780
Total contributions	1,599,181	898,526	2,497,707
Investment income			
Net appreciation in fair value of investments	274,978	156,781	431,759
Interest	140,189	80,631	220,820
Total investment income	415,167	237,412	652,579
Less investment expense	(33,876)	(20,505)	(54,381)
Net investment income	381,291	216,907	598,198
Total additions	1,980,472	1,115,433	3,095,905
DEDUCTIONS			
Benefits and refunds	1,164,414	593,064	1,757,478
Administrative expenses	17,064	12,919	29,983
Total deductions	1,181,478	605,983	1,787,461
NET INCREASE	798,994	509,450	1,308,444
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	26,222,204	14,815,557	41,037,761
December 31	\$ 27,021,198	\$ 15,325,007	\$ 42,346,205

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 1,107,877	\$ 1,107,877	\$ 1,275,435
Employee contributions	309,716	309,716	323,746
Total contributions	1,417,593	1,417,593	1,599,181
Investment income			
Net appreciation in fair value of investments	930,903	930,903	274,978
Interest	320,000	320,000	140,189
Total investment income	1,250,903	1,250,903	415,167
Less investment expense	(37,050)	(37,050)	(33,876)
Net investment income	1,213,853	1,213,853	381,291
Total additions	2,631,446	2,631,446	1,980,472
DEDUCTIONS			
Benefits and refunds	1,206,761	1,206,761	1,164,414
Administrative expenses	17,010	17,010	17,064
Total deductions	1,223,771	1,223,771	1,181,478
NET INCREASE	\$ 1,407,675	\$ 1,407,675	798,994
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			26,222,204
December 31			\$ 27,021,198

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Eight-Month Period Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
ADDITIONS			
Contributions			
Employer contributions	\$ 671,441	\$ 671,441	\$ 714,492
Employee contributions	177,530	177,530	184,034
	<hr/>	<hr/>	<hr/>
Total contributions	848,971	848,971	898,526
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation in fair value of investments	-	-	156,781
Interest	143,308	143,308	80,631
	<hr/>	<hr/>	<hr/>
Total investment income	143,308	143,308	237,412
Less investment expense	(22,950)	(22,950)	(20,505)
	<hr/>	<hr/>	<hr/>
Net investment income	120,358	120,358	216,907
	<hr/>	<hr/>	<hr/>
Total additions	969,329	969,329	1,115,433
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Benefits and refunds	561,968	561,968	593,064
Administrative expenses	25,460	25,460	12,919
	<hr/>	<hr/>	<hr/>
Total deductions	587,428	587,428	605,983
	<hr/>	<hr/>	<hr/>
NET INCREASE	<u>\$ 381,901</u>	<u>\$ 381,901</u>	509,450
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			<hr/> 14,815,557
December 31			<hr/> <u>\$ 15,325,007</u>

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2010

December 31, 2014

Date of Issue	April 18, 2010
Date of Maturity	December 1, 2029
Authorized Issue	\$ 10,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	1.78% to 6.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2014	\$ 295,000	\$ 495,248	\$ 790,248	2015	\$ 247,624	2015	\$ 247,624
2015	305,000	485,218	790,218	2016	242,609	2016	242,609
2016	310,000	473,780	783,780	2017	236,890	2017	236,890
2017	315,000	460,604	775,604	2018	230,302	2018	230,302
2018	325,000	446,903	771,903	2019	223,451	2019	223,452
2019	330,000	431,628	761,628	2020	215,814	2020	215,814
2020	340,000	413,808	753,808	2021	206,904	2021	206,904
2021	345,000	395,448	740,448	2022	197,724	2022	197,724
2022	355,000	376,818	731,818	2023	188,409	2023	188,409
2023	365,000	357,648	722,648	2024	178,824	2024	178,824
2024	1,095,000	337,938	1,432,938	2025	168,969	2025	168,969
2025	1,130,000	277,164	1,407,164	2026	138,582	2026	138,582
2026	1,170,000	212,755	1,382,755	2027	106,378	2027	106,377
2027	1,210,000	145,480	1,355,480	2028	72,740	2028	72,740
2028	1,255,000	75,300	1,330,300	2029	37,650	2029	37,650
	<u>\$ 9,145,000</u>	<u>\$ 5,385,740</u>	<u>\$ 14,530,740</u>		<u>\$ 2,692,870</u>		<u>\$ 2,692,870</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2010A**

December 31, 2014

Date of Issue	November 18, 2010
Date of Maturity	December 1, 2030
Authorized Issue	\$ 5,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.15% to 5.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2014	\$ 150,000	\$ 295,412	\$ 445,412	2015	\$ 147,706	2015	\$ 147,706
2015	175,000	290,912	465,912	2016	145,456	2016	145,456
2016	200,000	284,438	484,438	2017	142,219	2017	142,219
2017	200,000	276,038	476,038	2018	138,019	2018	138,019
2018	200,000	267,038	467,038	2019	133,519	2019	133,519
2019	200,000	257,238	457,238	2020	128,619	2020	128,619
2020	200,000	246,838	446,838	2021	123,419	2021	123,419
2021	200,000	235,838	435,838	2022	117,919	2022	117,919
2022	200,000	224,138	424,138	2023	112,069	2023	112,069
2023	225,000	212,438	437,438	2024	106,219	2024	106,219
2024	250,000	198,375	448,375	2025	99,187	2025	99,188
2025	275,000	182,750	457,750	2026	91,375	2026	91,375
2026	275,000	164,875	439,875	2027	82,437	2027	82,438
2027	300,000	147,000	447,000	2028	73,500	2028	73,500
2028	300,000	126,000	426,000	2029	63,000	2029	63,000
2029	1,500,000	105,000	1,605,000	2030	52,500	2030	52,500
	<u>\$ 4,850,000</u>	<u>\$ 3,514,328</u>	<u>\$ 8,364,328</u>		<u>\$ 1,757,163</u>		<u>\$ 1,757,165</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2011

December 31, 2014

Date of Issue	November 1, 2011
Date of Maturity	December 1, 2024
Authorized Issue	\$ 7,030,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% to 3.25%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	BNY Mellon Trust Company, Chicago, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2014	\$ 500,000	\$ 146,812	\$ 646,812	2015	\$ 73,406	2015	\$ 73,406
2015	505,000	136,812	641,812	2016	68,406	2016	68,406
2016	520,000	126,712	646,712	2017	63,356	2017	63,356
2017	535,000	116,312	651,312	2018	58,156	2018	58,156
2018	545,000	104,277	649,277	2019	52,138	2019	52,139
2019	565,000	90,650	655,650	2020	45,325	2020	45,325
2020	580,000	75,114	655,114	2021	37,557	2021	37,557
2021	600,000	57,712	657,712	2022	28,856	2022	28,856
2022	625,000	39,712	664,712	2023	19,856	2023	19,856
2023	645,000	20,962	665,962	2024	10,481	2024	10,481
	<u>\$ 5,620,000</u>	<u>\$ 915,075</u>	<u>\$ 6,535,075</u>		<u>\$ 457,537</u>		<u>\$ 457,538</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
1997 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

December 31, 2014

Date of Issue	April 9, 1997
Date of Maturity	April 9, 2017
Authorized Issue	\$ 3,750,000
Interest Rates	2.815%
Interest Dates	April 9 and October 9
Principal Maturity Date	April 9 and October 9
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				April 9	Amount	October 9	Amount
2015	\$ 231,470	\$ 18,233	\$ 249,703	2015	\$ 8,319	2014	\$ 6,701
2016	238,032	11,762	249,794	2016	5,061	2015	3,397
2017	121,535	1,710	123,245	2017	1,710	2016	-
	<u>\$ 591,037</u>	<u>\$ 31,705</u>	<u>\$ 622,742</u>		<u>\$ 15,090</u>		<u>\$ 10,098</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
2000 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

December 31, 2014

Date of Issue	April 12, 2000
Date of Maturity	July 1, 2019
Authorized Issue	\$ 1,784,916
Interest Rates	2.625%
Interest Dates	July 1 and January 1
Principal Maturity Date	July 1 and January 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				July 1	Amount	January 1	Amount
2015	\$ 105,716	\$ 11,822	\$ 117,538	2015	\$ 6,256	2015	\$ 5,566
2016	108,509	9,029	117,538	2016	4,868	2016	4,161
2017	111,376	6,162	117,538	2017	3,444	2017	2,718
2018	114,319	3,219	117,538	2018	1,982	2018	1,237
2019	36,691	482	37,173	2019	482	2019	-
	<u>\$ 476,611</u>	<u>\$ 30,714</u>	<u>\$ 507,325</u>		<u>\$ 17,032</u>		<u>\$ 13,682</u>

(See independent auditor's report.)

STATISTICAL SECTION (Unaudited)

This part of the Village of Hanover Park's 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 displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	118-127
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	128-137
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	138-141
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	142-143
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	144-147

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF HANOVER PARK, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets	\$ 43,981,453	\$ 43,282,520	\$ 44,085,337
Restricted	9,605,788	9,405,061	9,146,860
Unrestricted	2,669,003	8,575,116	12,336,999
TOTAL GOVERNMENTAL ACTIVITIES	\$ 56,256,244	\$ 61,262,697	\$ 65,569,196
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	\$ 22,195,261	\$ 21,978,529	\$ 22,593,334
Restricted	-	-	-
Unrestricted	6,975,685	7,590,332	8,033,586
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,170,946	\$ 29,568,861	\$ 30,626,920
PRIMARY GOVERNMENT			
Net investment in capital assets	\$ 65,261,049	\$ 66,678,671	\$ 68,417,774
Restricted	9,405,061	9,146,860	8,570,110
Unrestricted	16,165,448	20,370,585	21,517,248
TOTAL PRIMARY GOVERNMENT	\$ 90,831,558	\$ 96,196,116	\$ 98,505,132

* Eight-month period ended December 31, 2014

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014	2014*
\$ 45,392,922	\$ 44,420,879	\$ 44,389,269	\$ 45,248,341	\$ 48,546,851	\$ 48,743,363	\$ 49,462,602
8,570,110	7,078,776	13,664,072	5,048,350	4,829,701	5,294,935	4,835,944
14,230,151	18,596,124	13,059,714	15,514,984	11,779,582	14,654,715	17,292,137
<u>\$ 68,193,183</u>	<u>\$ 70,095,779</u>	<u>\$ 71,113,055</u>	<u>\$ 65,811,675</u>	<u>\$ 65,156,134</u>	<u>\$ 68,693,013</u>	<u>\$ 71,590,683</u>
\$ 23,024,852	\$ 23,062,850	\$ 23,554,396	\$ 26,694,874	\$ 27,371,016	\$ 26,941,735	\$ 28,088,831
-	-	-	13,644.0	-	-	-
7,287,097	6,988,149	6,239,034	6,277,037	7,296,568	8,581,691	8,965,544
<u>\$ 30,311,949</u>	<u>\$ 30,050,999</u>	<u>\$ 29,793,430</u>	<u>\$ 32,985,555</u>	<u>\$ 34,667,584</u>	<u>\$ 35,523,426</u>	<u>\$ 37,054,375</u>
\$ 67,483,729	\$ 67,943,665	\$ 67,943,665	\$ 75,917,867	\$ 75,917,867	\$ 75,685,098	\$ 77,551,433
7,078,776	13,664,072	13,664,072	4,829,701	4,829,701	5,294,935	4,835,944
25,584,273	19,298,748	19,298,748	19,076,150	19,076,150	23,236,406	26,257,681
<u>\$ 100,146,778</u>	<u>\$ 100,906,485</u>	<u>\$ 100,906,485</u>	<u>\$ 99,823,718</u>	<u>\$ 99,823,718</u>	<u>\$ 104,216,439</u>	<u>\$ 108,645,058</u>

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008
EXPENSES			
Governmental activities			
General government	\$ 3,151,719	\$ 2,995,293	\$ 3,170,869
Public works	2,967,923	3,123,131	4,053,485
Public safety	12,732,089	12,112,702	13,823,930
Community development	1,250,312	1,745,000	3,957,924
Highways and streets	1,904,303	1,899,180	2,200,904
Interest	870,101	791,433	690,844
Total governmental activities expenses	<u>22,876,447</u>	<u>22,666,739</u>	<u>27,897,956</u>
Business-type activities			
Water and sewer	7,167,282	7,292,161	7,367,849
Parking	349,930	329,848	353,128
Hanover Square	-	-	-
Total business-type activities expenses	<u>7,517,212</u>	<u>7,622,009</u>	<u>7,720,977</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 30,393,659</u>	<u>\$ 30,288,748</u>	<u>\$ 35,618,933</u>
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 796,144	\$ 855,148	\$ 836,179
Public safety	1,720,844	1,732,822	1,386,053
Community development	267,630	292,135	243,066
Public works	-	-	-
Operating grants and contributions	1,174,947	1,228,520	1,230,772
Capital grants and contributions	129,987	76,798	1,438,909
Total governmental activities program revenues	<u>4,089,552</u>	<u>4,185,423</u>	<u>5,134,979</u>
Business-type activities			
Charges for services			
Water and sewer	7,452,531	7,549,899	7,242,681
Parking	256,413	277,673	291,960
Hanover Square	-	-	-
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	827,377
Total business-type activities program revenues	<u>7,708,944</u>	<u>7,827,572</u>	<u>8,362,018</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 11,798,496</u>	<u>\$ 12,012,995</u>	<u>\$ 13,496,997</u>

	2009	2010	2011	2012	2013	2014	2014*
\$	3,673,924	\$ 3,208,066	\$ 4,618,393	\$ 4,634,174	\$ 4,988,649	\$ 4,297,802	\$ 2,111,972
	3,644,764	4,718,013	1,085,698	5,183,573	4,070,954	4,211,656	2,876,529
	15,252,239	15,805,836	17,146,057	15,473,122	18,014,749	18,224,677	12,928,235
	1,432,745	1,608,453	5,160,147	8,971,096	711,260	681,395	1,858,421
	2,412,849	2,019,122	1,582,651	1,499,979	3,946,982	3,522,824	2,276,624
	570,923	517,780	906,055	1,041,142	1,054,210	1,076,381	976,489
	26,987,444	27,877,270	30,499,001	36,803,086	32,786,804	32,014,735	23,028,270
	7,667,569	7,847,111	8,044,254	8,443,812	8,976,177	9,998,473	7,265,389
	348,435	329,761	336,895	309,014	280,836	387,584	202,907
	-	-	-	230,810	694,736	694,530	524,861
	8,016,004	8,176,872	8,381,149	8,983,636	9,951,749	11,080,587	7,993,157
\$	35,003,448	\$ 36,054,142	\$ 38,880,150	\$ 45,786,722	\$ 42,738,553	\$ 43,095,322	\$ 31,021,427
\$	837,821	\$ 909,723	\$ 1,085,427	\$ 1,106,938	\$ 1,157,752	\$ 1,212,828	\$ 769,081
	1,661,190	1,607,603	1,732,022	1,969,673	2,045,438	1,989,029	1,286,735
	134,915	331,637	15,800	14,116	22,493	61,714	42,531
	-	-	171,931	126,584	150,684	245,355	193,819
	1,121,001	1,032,614	1,546,945	1,432,867	1,228,338	1,343,393	1,082,681
	-	-	543,452	475,557	318,006	266,197	274,286
	3,754,927	3,881,577	5,095,577	5,125,735	4,922,711	5,118,516	3,649,133
	7,191,418	7,588,046	7,965,071	8,889,712	10,210,092	11,077,306	7,089,864
	296,545	272,798	292,286	328,749	317,446	371,185	265,895
	-	-	-	236,916	669,670	710,703	560,678
	-	-	-	-	-	-	-
	-	-	-	102,105	688,932	180,126	-
	7,487,963	7,860,844	8,257,357	9,557,482	11,886,140	12,339,320	7,916,437
\$	11,242,890	\$ 11,742,421	\$ 13,352,934	\$ 14,683,217	\$ 16,808,851	\$ 17,457,836	\$ 11,565,570

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008
NET (EXPENSES) REVENUES			
Governmental activities	\$ (18,786,895)	\$ (18,481,316)	\$ (22,762,977)
Business-type activities	191,732	205,563	641,041
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (18,595,163)	\$ (18,275,753)	\$ (22,121,936)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities			
Taxes			
Property	\$ 10,556,379	\$ 10,313,391	\$ 10,315,338
Sales, local use	3,764,767	3,867,302	4,025,910
Utility	1,735,559	1,872,699	2,015,759
Hotel/motel	39,848	40,376	40,591
Food and beverage	1,057,701	1,083,296	1,101,714
Other	861,355	596,318	399,850
Intergovernmental			
Personal property replacement tax	82,734	89,869	102,976
Income	2,924,903	3,226,202	3,524,383
Investment income	859,078	1,450,517	1,492,471
Miscellaneous	1,059,346	912,304	3,975,283
Transfers	71,488	35,495	75,201
Total governmental activities	23,013,158	23,487,769	27,069,476
Business-type activities			
Investment income	143,937	275,851	329,724
Miscellaneous	3,325	(48,004)	162,495
Transfers	(71,488)	(35,495)	(75,201)
Total business-type activities	75,774	192,352	417,018
TOTAL PRIMARY GOVERNMENT	\$ 23,088,932	\$ 23,680,121	\$ 27,486,494
CHANGE IN NET POSITION			
Governmental activities	\$ 4,226,263	\$ 5,006,453	\$ 4,306,499
Business-type activities	267,506	397,915	1,058,059
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,493,769	\$ 5,404,368	\$ 5,364,558

* Eight-month period ended December 31, 2014

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014	2014*
\$ (23,232,517)	\$ (23,995,693)	\$ (25,403,424)	\$ (31,677,351)	\$ (27,864,093)	\$ (26,896,219)	\$ (19,379,137)
(528,041)	(316,028)	(123,792)	573,846	1,934,391	1,258,733	(76,720)
\$ (23,760,558)	\$ (24,311,721)	\$ (25,527,216)	\$ (31,103,505)	\$ (25,929,702)	\$ (25,637,486)	\$ (19,455,857)
\$ 11,819,859	\$ 13,068,529	\$ 13,130,988	\$ 14,808,277	\$ 13,110,176	\$ 13,729,431	\$ 11,423,311
5,051,309	4,744,662	7,561,001	7,432,314	7,394,170	9,248,795	6,792,806
1,886,260	1,821,364	1,750,085	1,730,990	1,621,854	1,588,171	1,219,601
32,711	33,614	32,979	35,281	36,686	43,687	35,800
1,088,047	1,047,406	1,072,674	1,086,568	1,018,775	1,036,661	732,613
196,003	167,871	223,762	298,311	225,065	302,021	422,376
94,052	83,336	92,787	83,412	82,765	94,867	51,945
3,487,693	3,040,184	2,984,408	3,096,265	3,422,147	3,700,323	2,335,241
793,552	331,555	150,716	71,672	106,443	153,820	58,063
1,359,699	1,548,494	78,619	113,146	99,397	113,527	215,566
47,319	11,274	163,219	(2,605,806)	315,418	421,795	(1,010,515)
25,856,504	25,898,289	27,241,238	26,150,430	27,432,896	30,433,098	22,276,807
181,599	43,133	19,723	8,996	10,825	8,476	11,102
78,790	23,219	9,719	3,477	52,231	10,428	586,052
(47,319)	(11,274)	(163,219)	2,605,806	(315,418)	(421,795)	1,010,515
213,070	55,078	(133,777)	2,618,279	(252,362)	(402,891)	1,607,669
\$ 26,069,574	\$ 25,953,367	\$ 27,107,461	\$ 28,768,709	\$ 27,180,534	\$ 30,030,207	\$ 23,884,476
\$ 2,623,987	\$ 1,902,596	\$ 1,837,814	\$ (431,197)	\$ (431,197)	\$ 3,536,879	\$ 2,897,670
(314,971)	(260,950)	(257,569)	1,682,029	1,682,029	855,842	1,530,949
\$ 2,309,016	\$ 1,641,646	\$ 1,580,245	\$ 1,250,832	\$ 1,250,832	\$ 4,392,721	\$ 4,428,619

VILLAGE OF HANOVER PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008
GENERAL FUND			
Reserved	\$ 730,035	\$ 798,214	\$ 874,984
Unreserved/undesignated	8,205,921	9,045,003	7,849,607
Nonspendable	-	-	-
Restricted	-	-	-
Unrestricted			
Assigned	-	-	-
Unassigned	-	-	-
TOTAL GENERAL FUND	\$ 8,935,956	\$ 9,843,217	\$ 8,724,591
ALL OTHER GOVERNMENTAL FUNDS			
Reserved	\$ 11,119,689	\$ 9,674,392	\$ 9,378,098
Unreserved, reported in			
Debt Service Funds	-	-	-
Capital Project Funds	2,034,890	2,454,303	3,864,443
Nonspendable	-	-	-
Restricted	-	-	-
Unrestricted			
Assigned	-	-	-
Unassigned (deficit)	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 13,154,579	\$ 12,128,695	\$ 13,242,541

* Eight-month period ended December 31, 2014

- (1) The fund balance for all other governmental funds increased significantly in fiscal year 2005 and 2010 due to the issuance of the 2004 General Obligation Bonds and 2010 General Obligation Bonds, respectively.
- (2) The fund balances declined in 2012 due to the spending of bonds issued for completion of the police station and other capital projects.

Data Source

Audited Financial Statements

2009	2010 (1)	2011	2012(2)	2013	2014	2014*
\$ 831,732	\$ 1,072,335	\$ 840,075	\$ -	\$ -	\$ -	\$ -
7,920,285	7,492,166	7,831,351	-	-	-	-
-	-	-	2,106,350	1,561,197	1,114,638	556,466
-	-	-	136,946	134,910	134,910	-
-	-	-	674,316	-	-	-
-	-	-	7,099,207	8,473,882	11,611,884	14,180,226
<u>\$ 8,752,017</u>	<u>\$ 8,564,501</u>	<u>\$ 8,671,426</u>	<u>\$ 10,016,819</u>	<u>\$ 10,169,989</u>	<u>\$ 12,861,432</u>	<u>\$ 14,736,692</u>
\$ 8,759,345	\$ 7,226,197	\$ 22,127,853	\$ -	\$ -	\$ -	\$ -
-	(44,340)	(508,011)	-	-	-	-
3,500,933	15,626,848	(95,629)	-	-	-	-
-	-	-	332,306	-	-	-
-	-	-	4,911,404	4,694,791	5,160,025	4,835,944
-	-	-	518,719	273,045	124,603	373,202
-	-	-	(388,417)	(304,265)	(438,081)	(484,093)
<u>\$ 12,260,278</u>	<u>\$ 22,808,705</u>	<u>\$ 21,524,213</u>	<u>\$ 5,374,012</u>	<u>\$ 4,663,571</u>	<u>\$ 4,846,547</u>	<u>\$ 4,725,053</u>

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006 (1)	2007 (1)	2008
REVENUES			
Taxes	\$ 17,562,838	\$ 17,275,302	\$ 17,362,673
Licenses and permits	840,525	871,302	839,389
Intergovernmental	4,765,342	5,119,469	5,394,620
Charges for services and fees	1,314,082	1,385,294	1,080,833
Fines and forfeits	615,398	608,308	528,764
Investment income	740,859	1,176,037	1,144,525
Miscellaneous	1,159,346	912,304	3,039,352
Total revenues	26,998,390	27,348,016	29,390,156
EXPENDITURES			
General government	3,050,356	2,854,656	2,972,390
Public works	2,571,833	2,769,315	3,331,597
Public safety	12,289,563	13,202,008	13,589,622
Community development	1,186,171	1,425,830	3,885,488
Highways and streets	1,215,723	1,693,169	1,206,230
Capital outlay	6,478,415	2,345,634	1,250,792
Debt service			
Principal	2,012,617	2,394,137	2,509,878
Interest and fiscal charges	913,063	817,385	724,140
Total expenditures	29,717,741	27,502,134	29,470,137
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(2,719,351)	(154,118)	(79,981)
OTHER FINANCING SOURCES (USES)			
Proceeds from bonds	-	-	-
Premiums (discounts) on debt issuance	-	-	-
Transfers in	1,246,418	788,972	2,450,815
Transfers (out)	(1,174,930)	(753,477)	(2,375,614)
Sale of property	-	-	-
Total other financing sources (uses)	71,488	35,495	75,201
NET CHANGE IN FUND BALANCES			
	\$ (2,647,863)	\$ (118,623)	\$ (4,780)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES			
	12.94%	12.59%	12.52%

- (1) The significant increase in the fund balance is due to the issuance of the 2004 General Obligation Bonds.
- (2) The decrease in fund balance is due to the expenditure of bonds proceeds from the 2004 General Obligation Bonds for the construction of a new Headquarters Fire Station.
- (3) The significant increase in the fund balance is due to the issuance of the 2010 General Obligation Bonds.
- (4) The current refunding in 2012 caused a \$7,000,000 of principal expenditures.

* Eight-month period ended December 31, 2014

Data Source

Audited Financial Statements

2009	2010 (2)	2011	2012 (3)	2013	2014	2014*
\$ 19,541,574	\$ 20,429,442	\$ 26,848,683	\$ 25,475,151	\$ 23,406,726	\$ 25,948,765	\$ 20,626,507
774,180	1,021,353	968,506	911,722	979,424	1,138,365	718,779
5,235,361	4,610,138	1,863,227	5,004,050	4,985,926	5,380,058	3,699,934
1,293,540	1,180,163	1,238,743	1,650,614	1,720,380	1,764,636	1,036,818
550,398	630,843	512,934	640,015	660,603	590,966	536,820
572,536	247,200	150,716	71,672	106,443	153,820	58,063
843,209	1,460,270	590,787	128,747	180,687	153,209	176,651
28,810,798	29,579,409	32,173,596	33,881,971	32,040,189	35,129,819	26,853,572
3,501,523	3,092,878	4,808,312	5,280,476	4,923,925	5,247,701	2,483,520
3,263,408	3,321,777	2,901,960	3,583,057	3,888,126	3,494,643	2,644,628
14,559,167	15,643,448	16,085,156	17,232,650	17,388,396	17,837,161	13,027,697
1,374,261	1,385,981	1,058,951	5,566,340	968,226	660,326	1,879,756
1,720,920	1,391,323	711,830	659,311	752,272	796,373	427,967
2,113,267	1,174,993	10,329,362	14,402,668	3,188,327	2,745,856	2,982,751
2,670,000	2,660,000	1,045,000	8,095,000	730,000	810,000	875,000
610,408	479,372	713,273	1,257,620	1,073,606	1,085,135	986,620
29,812,954	29,149,772	37,653,844	56,077,122	32,912,878	32,677,195	25,307,939
(1,002,156)	429,637	(5,480,248)	(22,195,151)	(872,689)	2,452,624	1,545,633
-	10,000,000	5,000,000	7,030,000	-	-	-
-	(80,000)	(40,000)	102,775	-	-	-
824,320	3,814,247	3,480,058	5,665,632	1,198,605	1,444,301	1,408,526
(777,001)	(3,802,973)	(3,316,839)	(5,633,605)	(883,187)	(1,022,506)	(1,283,276)
-	-	-	-	-	-	82,883
47,319	9,931,274	5,123,219	7,164,802	315,418	421,795	208,133
\$ (954,837)	\$ 10,360,911	\$ (357,029)	\$ (15,030,349)	\$ (557,271)	\$ 2,874,419	\$ 1,753,766
11.66%	11.57%	11.01%	5.93%	25.28%	6.05%	7.51%

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
COOK COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2005	\$ 196,068,136	\$ 2,649	\$ 56,662,400	\$ 6,009,123	\$ 258,742,308	\$ -	\$ 258,742,308	1.343
2006	201,194,694	2,649	52,230,877	6,577,841	260,006,061	-	260,006,061	1.402
2007	231,228,718	2,649	56,923,990	5,514,740	293,670,097	-	293,670,097	1.286
2008	250,690,470	2,649	58,979,875	5,454,224	315,127,218	-	315,127,218	1.183
2009	280,452,625	1,656	56,257,117	4,802,915	341,514,313	-	341,514,313	1.167
2010	254,796,416	1,656	50,647,229	5,196,458	310,641,759	-	310,641,759	1.549
2011	237,115,286	1,656	56,439,864	11,102,423	304,659,229	-	304,659,229	1.591
2012	217,980,488	1,656	55,520,023	7,096,304	280,598,471	-	280,598,471	1.939
2013	172,348,742	1,656	50,024,995	7,085,250	229,460,643	-	229,460,643	2.637
2014*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Eight-month period ended December 31, 2014.

N/A - Current not available

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
DUPAGE COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2005	\$ 303,027,925	\$ 21,322	\$ 20,574,170	\$ 74,112,050	\$ 397,735,467	\$ 7,429	\$ 397,742,896	1.2716
2006	327,307,467	20,208	20,972,440	79,629,190	427,929,305	11,078	427,940,383	1.2897
2007	351,550,142	17,962	21,677,650	79,256,420	452,502,174	15,750	452,517,924	1.2124
2008	368,655,019	19,489	22,139,080	83,243,390	474,056,978	20,597	474,077,575	1.2199
2009	365,703,065	21,440	22,122,460	81,369,680	469,216,645	25,317	469,241,962	1.3755
2010	336,808,809	23,589	20,901,850	75,250,920	432,985,168	26,401	433,011,569	1.5830
2011	297,482,660	25,920	20,775,950	72,968,610	391,253,140	23,933	391,277,073	1.6506
2012	262,398,693	28,512	18,710,960	64,919,690	346,057,855	29,291	346,087,146	2.1327
2013	234,486,782	31,364	17,528,130	60,863,810	312,910,086	31,070	312,941,156	2.3941
2014*	224,823,993	34,501	16,622,430	58,665,170	300,146,094	42,030	300,188,124	2.6690

* Eight-month period ended December 31, 2014.

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
VILLAGE DIRECT RATES										
General corporate rate	1.269	1.191	1.249	1.150	1.063	1.053	1.305	1.385	1.686	2.309
Debt service rate	0.168	0.152	0.153	0.136	0.120	0.114	0.244	0.205	0.253	0.328
Total direct rate	1.437	1.343	1.402	1.286	1.183	1.167	1.549	1.590	1.939	2.637
OVERLAPPING RATES										
School District #46	4.945	4.746	4.874	4.565	4.435	4.339	5.026	5.507	6.540	7.580
School District #509	0.434	0.421	0.347	0.348	0.331	0.354	0.434	0.475	0.546	0.638
Hanover Park Park District	0.469	0.441	0.471	0.423	0.386	0.371	0.429	0.442	0.511	0.629
County including Forest Preserve District and TB Sanitarium	0.654	0.598	0.562	0.499	0.466	0.443	0.474	0.545	0.594	0.629
Hanover Township	0.242	0.237	0.250	0.224	0.223	0.239	0.248	0.287	0.324	0.391
Metropolitan Water Reclamation District	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417
Northwest Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013
Poplar Creek Library	0.318	0.304	0.310	0.367	0.357	0.350	0.394	0.449	0.515	0.631
Community Mental Health	0.036	0.035	0.037	0.033	0.033	0.033	0.038	0.044	0.050	0.061
Consolidated Elections	-	0.014	-	0.012	-	-	-	-	-	0.031
TOTAL DIRECT AND OVERLAPPING TAX RATE	8.891	8.463	8.546	8.028	7.674	7.565	8.875	9.669	11.400	13.657

Note: Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all village property owners.

Data Source

Cook County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - DUPAGE COUNTY

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
VILLAGE DIRECT RATES										
General corporate rate	1.1960	1.1419	1.1635	1.0978	1.1095	1.2555	1.3739	1.5272	1.8829	2.1283
Debt service rate	0.1411	0.1297	0.1262	0.1146	0.1104	0.1200	0.2091	0.1994	0.2498	0.2658
Total direct rate	1.3371	1.2716	1.2897	1.2124	1.2199	1.3755	1.5830	1.7266	2.1327	2.3941
OVERLAPPING RATES										
School District #93	3.3667	3.5070	3.6473	3.6473	3.6442	3.7112	3.9130	4.1112	4.6112	5.0165
School District #87	1.7716	1.7200	1.7210	1.6612	1.6507	1.6749	1.8378	2.0199	2.2868	2.4877
Community College #502	0.1968	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956
Hanover Park Park District	0.4267	0.4055	0.4059	0.3801	0.3801	0.4091	0.4250	0.4554	0.5614	0.5673
County including Forest Preserve District and Airport	0.3421	0.3266	0.3199	0.3008	0.2923	0.2919	0.3138	0.3356	0.3639	0.3875
Wayne Township	0.1450	0.1400	0.1370	0.1289	0.1253	0.1268	0.1378	0.1479	0.1626	0.1796
Poplar Creek Library	0.3022	0.3004	0.3131	0.3696	0.3522	0.4003	0.4158	0.4553	0.5977	0.6249
TOTAL DIRECT AND OVERLAPPING TAX RATE	7.8882	7.8585	8.0268	7.8891	7.8505	8.2024	8.8611	9.5014	10.9844	11.9532

Note: Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all village property owners.

Data Source

DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2014*			2005		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
AMB Prop RE Tax Co.	\$ 12,259,340	1	2.26%	\$ 6,438,740	3	1.20%
New Excel Realty	11,093,894	2	2.05%	-		0.00%
Hanover Park Village	7,975,263	3	1.47%	-		0.00%
Realty Associates Fund IX	7,750,480	4	1.43%	-		0.00%
Menards	6,517,034	5	1.20%	3,743,682	7	0.70%
Liberty Property LTD Prtn	5,537,570	6	1.02%	10,628,960	1	1.90%
Fisher Scientific Company	3,470,440	7	0.64%	-		0.00%
NEQ/EOLA - Turnberry Lakes	3,325,240	8	0.61%	4,374,050	5	0.80%
National Shopping Plaza	2,718,222	9	0.50%	-		0.00%
Cardinal Capital Partners	2,685,930	10	0.50%	-		0.00%
Norcor Tradewinds	-		0.00%	8,870,054	2	1.60%
Wheaton Bank Trust 1238	-		0.00%	5,174,059	4	0.90%
Fellowes Manufacturing	-		0.00%	4,301,020	6	0.80%
Individual Taxpayer - Pebblewood Court Apts	-		0.00%	3,436,369	8	0.60%
CNC - Prairie Station Apts	-		0.00%	3,540,300	9	0.40%
Circuit City	-		0.00%	2,409,550	10	0.40%
TOTAL	\$ 63,333,413		11.68%	\$ 52,916,784		9.30%

* Eight-month period ended December 31, 2014

Data Source

Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Fiscal Period Ended	Tax Levied	Collected Within the Fiscal Period of the Levy		Collections in Subsequent Periods	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	April 30, 2006	\$ 8,113,730	\$ 1,597,398	19.69%	\$ 6,401,963	\$ 7,999,361	98.59%
2006	April 30, 2007	8,669,475	1,581,476	18.24%	6,985,693	8,567,169	98.82%
2007	April 30, 2008	8,771,573	1,643,467	18.74%	7,003,039	8,646,506	98.57%
2008	April 30, 2009	8,997,079	1,689,164	18.77%	7,087,709	8,776,873	97.55%
2009	April 30, 2010	9,360,557	1,840,527	19.66%	7,062,439	8,902,966	95.11%
2010	April 30, 2011	11,081,993	1,677,810	15.14%	8,978,384	10,656,384	96.16%
2011	April 30, 2012	11,294,245	2,548,018	22.56%	8,275,352	10,823,370	95.83%
2012	April 30, 2013	11,718,824	2,478,683	21.15%	9,260,873	11,739,556	100.18%
2013	April 30, 2014	12,692,238	2,787,865	21.97%	7,372,784	10,160,649	80.05%
2013	December 31, 2014	12,692,238	4,013,571	31.62%	N/A	4,013,571	31.62%

N/A - Not available

Note: Levies for all Special Service Areas have been excluded from this table.

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise	\$ 2,926	\$ 4,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,127
Food	566,784	537,689	560,621	573,464	606,170	585,020	597,879	472,391	503,151	561,648
Drinking and eating places	276,760	284,919	286,025	281,456	256,548	253,927	264,442	278,890	284,229	273,975
Apparel	4,351	9,496	-	-	-	-	-	-	-	522
Furniture & HH & radio	126,497	102,353	104,591	42,647	24,904	24,015	24,163	27,875	27,853	25,639
Lumber, building and hardware	267,115	267,284	264,845	277,415	416,200	444,876	459,688	517,245	525,261	533,309
Automobile and filling stations	274,502	288,409	318,134	309,685	279,146	329,497	370,963	303,586	294,965	316,758
Drugs and miscellaneous retail	384,557	413,431	428,619	405,162	416,339	470,691	503,913	571,334	598,156	571,484
Agriculture and all others	488,584	498,388	534,035	1,194,051	2,035,368	2,398,052	2,614,185	2,542,521	2,831,702	2,927,845
Manufacturers	24,667	18,815	38,436	72,542	79,521	57,678	29,619	29,239	69,661	77,973
TOTAL	\$ 2,416,743	\$ 2,425,730	\$ 2,535,306	\$ 3,156,422	\$ 4,114,196	\$ 4,563,756	\$ 4,864,852	\$ 4,743,081	\$ 5,134,978	\$ 5,301,280
VILLAGE DIRECT SALES TAX RATE	1.00%									

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS
HOME RULE TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise	\$ 1,303	\$ 2,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,561
Food	83,355	74,013	75,161	64,159	68,648	70,052	71,383	56,370	65,115	81,138
Drinking and eating places	128,593	130,218	131,575	129,871	119,158	118,713	123,355	133,067	168,674	195,334
Apparel	2,176	4,748	-	-	-	-	-	-	-	-
Furniture & HH & radio	63,233	51,174	52,293	21,323	12,452	12,006	12,082	13,938	17,842	19,228
Lumber, building and hardware	132,419	132,285	130,691	136,980	204,575	219,262	226,021	254,137	321,137	392,241
Automobile and filling stations	129,927	137,456	148,079	147,813	133,108	156,364	177,242	139,940	175,553	218,435
Drugs and miscellaneous retail	91,921	97,012	100,342	88,635	91,278	121,662	133,369	167,456	230,393	249,511
Agriculture and all others	213,335	237,893	261,862	594,900	1,014,659	1,196,027	1,304,854	1,269,342	1,775,671	2,190,176
Manufacturers	12,207	9,307	19,123	36,144	39,529	28,387	14,353	14,061	43,212	57,674
TOTAL	\$ 858,469	\$ 876,255	\$ 919,126	\$ 1,219,825	\$ 1,683,407	\$ 1,922,473	\$ 2,062,659	\$ 2,048,311	\$ 2,797,597	\$ 3,411,298
VILLAGE HOME RULE SALES TAX RATE	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation Authority	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County home rule rate	0.75%	0.75%	0.75%	0.75%	1.75%	1.75%	1.25%	1.00%	0.75%	0.75%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	8.50%	8.50%	8.50%	8.75%	9.75%	9.75%	9.25%	9.00%	8.75%	8.75%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Regional Transportation Authority	0.25%	0.25%	0.25%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	7.00%	7.00%	7.00%	7.50%						

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds						
2006	\$ 12,970,000	\$ 369,264	\$ 6,325,000	\$ 3,631,523	\$ 23,295,787	\$ 656,485,204	3.55%	3.28%	\$ 608.59
2007	12,060,000	232,021	4,900,000	3,365,405	20,557,426	687,946,444	2.99%	3.72%	537.06
2008	11,120,000	131,834	3,350,000	3,091,905	17,693,739	746,188,021	2.37%	4.32%	462.24
2009	10,150,000	49,250	1,650,000	2,810,817	14,660,067	789,204,793	1.86%	5.21%	382.99
2010	19,140,000	-	-	2,522,513	21,662,513	810,756,275	2.67%	3.53%	565.91
2011	23,095,000	-	-	2,225,029	25,320,029	753,653,328	3.36%	3.40%	666.79
2012	22,030,000	-	-	1,919,889	23,949,889	695,936,302	3.44%	3.59%	630.71
2013	21,289,045	-	-	1,606,283	22,895,328	626,685,617	3.65%	3.76%	602.94
2014	20,477,418	-	-	1,283,975	21,761,393	542,401,799	4.01%	2.53%	573.08
2014*	19,600,791	-	-	1,067,649	20,668,440	542,401,799	3.81%	2.53%	573.08

* Eight-month period ended December 31, 2014

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2006	\$ 12,970,000	\$ 949,405	\$ 12,020,595	1.83%	\$ 314.03
2007	12,060,000	881,208	11,178,792	1.62%	292.04
2008	11,120,000	790,270	10,329,730	1.38%	269.86
2009	10,150,000	512,014	9,637,986	1.22%	251.79
2010	19,140,000	169,528	18,970,472	2.34%	495.60
2011	23,095,000	-	23,095,000	3.06%	608.20
2012	22,030,000	234,149	21,795,851	3.13%	573.98
2013	21,289,045	370,984	20,918,061	3.34%	550.87
2014	20,477,418	553,653	19,923,765	3.67%	524.68
2014*	19,600,791	214,928	19,385,863	3.67%	524.68

Note: The amounts in the Village's debt service funds are externally restricted and, as such, the per capita ratio uses the net bonded debt. Further details regarding the Village's outstanding debt can be found in the notes to the financial statements.

- (1) See the schedule of Ratios of Outstanding Debt by Type for equalized assessed value data (actual taxable value of property).
- (2) See the schedule of Demographic and Economic Statistics for the per capita income data.

* Eight months ended December 31, 2014

Data Source

Village Records

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

December 31, 2014

Governmental Unit	Outstanding GO Bonded Debt		Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Hanover Park	\$ 19,615,000		100.00%	\$ 19,615,000
School District #20	5,170,000		35.54%	1,837,450
School District #93	15,430,000	(4)	8.62%	1,329,651
High School District #87	25,855,000	(3)(4)	1.90%	492,314
High School District #108	42,200,000	(3)	6.97%	2,940,619
High School District #211	11,380,000		1.76%	200,545
Community School District #46	259,950,778	(2)	5.11%	13,271,463
Community College District #502	223,940,000	(3)	0.59%	1,314,162
Community College District #509	187,887,831	(2)	2.06%	3,869,528
Community College District #512	166,045,000		0.70%	1,169,008
Total school districts	<u>937,858,609</u>			<u>26,424,740</u>
Cook County	3,466,976,750		0.18%	6,334,497
DuPage County	45,085,000	(3)(4)	0.96%	430,650
Cook County Forest Preserve District	118,610,000	(3)	0.18%	216,712
DuPage County Forest Preserve District	161,040,395	(2)(3)	0.96%	1,538,250
Metropolitan Water Reclamation District	2,422,619,005	(1)	0.18%	4,318,724
Bartlett Park District	27,230,000	(3)	3.17%	863,910
Hanover Park Park District	1,449,000	(3)	94.93%	1,375,583
Schaumburg Park District	10,970,000	(3)	1.33%	146,006
Poplar Creek Library District	19,390,000		34.51%	6,691,689
Bloomington Fire Protection District	1,745,000		5.38%	93,836
Total other	<u>6,275,115,150</u>			<u>22,009,857</u>
Total overlapping debt	<u>7,212,973,759</u>			<u>48,434,597</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 7,232,588,759</u></u>			<u><u>\$ 68,049,597</u></u>

- (1) Includes IEPA Revolving Loan Fund Bonds.
- (2) Includes original principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.
- (3) Excludes principal amounts of outstanding General Obligation alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (4) Excludes outstanding debt certificates.

Data Source

Cook and DuPage County Clerk's Office, Cook County Comptroller and the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2014

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF HANOVER PARK, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2006	38,278	\$ 764,029	\$ 19,960	29.7	6,432	4.80%
2007	38,278	764,029	19,960	29.7	6,432	5.40%
2008	38,278	764,029	19,960	29.7	6,432	6.80%
2009	38,278	764,029	19,960	29.7	6,432	11.20%
2010	38,278	764,029	19,960	29.7	6,432	11.40%
2011	37,973	859,823	22,643	31.5	7,799	10.40%
2012	37,973	859,823	22,643	31.5	7,799	8.90%
2013	37,973	859,823	22,643	31.5	7,799	10.10%
2014	37,973	859,823	22,643	31.5	7,799	10.10%
2014*	37,973	859,823	22,643	31.5	7,799	10.10%

* Eight months ended December 31, 2014

Data Sources

(1) Illinois Department of Employment Security (using annual averages)

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2014* (1)			2004 (2)		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Maines Paper & Food Service	400	1	8.00%			
Fischer Scientific	300	2	6.00%	345	1	6.98%
Insight Enterprises, Inc.	250	3	5.00%	250	2	5.06%
Camcraft, Inc.	225	4	4.50%	200	3	4.05%
Everpure, LLC	200	5	4.00%			
AMPAC	200	5	4.00%			
General Binding Corp	200	5	4.00%	200	3	4.05%
Village of Hanover Park	193	6	3.86%	182	6	3.68%
Fuji Film	150	7	3.00%	185	5	3.64%
Fellowes Manufacturing	150	7	3.00%	120	8	2.43%
Wilson Pet Supply	120	8	2.40%	150	7	3.72%
Fischer Scientific Distribution Center				100	9	2.02%
MAXRAD, Inc.	100	9	2.00%			
	<u>2,488</u>		<u>49.76%</u>	<u>1,732</u>		<u>35.63%</u>

* Eight months ended December 31, 2014

Data Sources

Village Community Development Department Records and U.S. Census Bureau

(1) A selective telephone survey.

(2) 2004 Illinois Manufacturers Directory, 2004 Illinois Services Directory and a selective telephone survey.

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
GENERAL GOVERNMENT										
Village Clerk	1	1	1	1	2	2	2	2	2	2
Administration	8	8	4	4	2	2	2	2	2	9
Legal	2	2	2	2	-	-	-	-	-	-
Human Resources	3	3	3	3	3	3	3	3	3	4
Information Technology	-	-	3	3	3	3	3	3	3	3
Finance	12	12	10	9	9	10	10	9	9	10
PUBLIC WORKS	35	35	39	39	37	38	38	38	38	36
POLICE	71	73	74	78	81	80	80	80	80	91
FIRE	30	33	36	36	36	37	40	41	41	59
COMMUNITY DEVELOPMENT	9	9	9	9	8	6	2	2	2	3
WATER AND SEWER	11	11	12	12	12	12	12	12	12	12
TOTAL	182	187	193	196	193	193	192	192	192	229

* Eight-month period ended December 31, 2014

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
PUBLIC WORKS										
Forestry										
Number of parkway trees planted	33	36	12	38	42	50	-	-	140	-
Number of parkway trees trimmed	2,176	2,457	2,443	1,724	1,994	2,094	2,311	2,123	1,870	1,550
Brush pickup program (cubic yards collected)	2,051	2,205	2,314	1,593	1,660	1,765	1,465	1,640	1,400	965
Fleet services										
Number of vehicles maintained	149	150	150	150	150	150	152	154	154	154
Preventative maintenance services	418	403	412	417	419	427	436	418	422	420
PUBLIC SAFETY										
Fire										
Number of fire calls	775	787	907	909	830	912	938	970	1,120	653
Number of EMS calls	1,831	1,885	2,022	2,225	2,045	2,255	2,347	2,356	2,458	1,845
Number of training hours	7,109	6,555	11,484	10,960	10,767	10,967	14,879	13,626	14,563	9,982
ISO rating	4	4	4	4	4	4	4	4	4	4
Police										
Part I crime	793	666	704	656	660	587	503	481	379	290
Part II crime	3,758	4,394	4,469	3,799	3,674	4,476	5,019	5,611	5,600	2,626
Calls for service	42,127	43,358	42,583	43,257	40,279	42,226	44,675	47,775	45,244	28,375
State tickets issued	8,812	9,564	8,808	7,069	6,022	6,320	7,039	9,135	7,793	4,617
Compliance tickets issued	95	118	43	5	14	26	15	16	5	-
Parking tickets issued	18,827	17,752	13,710	14,147	10,539	12,161	11,918	13,786	11,609	7,709
COMMUNITY DEVELOPMENT										
Number of building permits issued	1,633	1,442	1,794	1,402	1,233	1,808	1,405	1,502	987	684
Number of building inspections	5,957	5,694	5,267	5,744	3,246	3,845	2,585	2,791	2,965	1,829
Number of food service inspections	346	355	336	338	488	509	484	493	496	295
HIGHWAYS AND STREETS										
Sidewalk replaced (square feet)	24,667	22,511	21,148	17,629	18,377	25,100	26,361	30,159	23,600	23,690
Annual resurfacing program (\$)	672,363	630,085	553,835	584,161	563,027	647,921	550,713	917,493	799,039	900,000
Crack sealing (pounds installed)	27,420	24,910	24,900	-	29,400	27,000	22,700	21,777	22,680	15,600

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
WATER AND SEWER										
Water main breaks	96	37	39	49	37	58	55	75	43	43
Hydrants flushed	1,438	1,443	1,455	1,463	1,462	1,484	1,475	1,475	1,475	1,599
Water meters read	66,472	66,547	97,025	68,140	66,798	68,186	69,019	67,618	40,462	40,462
Water meter service requests	6,879	6,566	6,050	5,870	6,266	6,301	6,080	6,357	3,765	3,765
Water meters replaced	240	31	17	29	32	32	22	32	25	25
Total distribution pumpage (1,000 gallons)	1,095,611	1,084,912	1,029,079	965,392	974,916	954,763	938,977	929,490	889,160	873,958
Average daily pumpage (1,000 gallons)	3,002	2,972	2,819	2,645	2,671	2,616	2,566	2,547	2,436	2,394
Sanitary sewer televising (feet)	20,551	25,547	39,422	3,851	41,425	50,743	65,210	17,615	2,801	600
Sanitary sewer repairs	2	7	4	1	3	3	2	1	1	1

* Eight-month period ended December 31, 2014

Note: Indicators are not available for the general government functions.

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014*
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
PUBLIC WORKS										
Streets (miles)	99.36	99.36	99.36	99.36	99.36	99.36	80.13	99.36	99.36	80.13
Sidewalks (miles)	154.04	154.66	154.84	155.13	155.13	155.13	155.15	155.15	155.15	155.25
Streetlights	1,041	1,076	1,081	1,086	1,090	1,130	1,138	1,141	1,141	1,088
WATER AND SEWER										
Water mains (miles)	111.51	111.75	111.83	111.78	112.05	112.35	112.35	112.35	112.35	112.35
Fire hydrants	1,449	1,452	1,459	1,464	1,469	1,474	1,475	1,475	1,477	1,475
Sanitary sewers (miles)	93.94	93.86	93.96	93.96	93.76	93.76	93.80	93.80	93.80	93.80
Manholes	2,347	2,347	2,351	2,351	2,342	2,343	2,346	2,346	2,348	2,348

* Eight-month period ended December 31, 2014

Data Source

Village records