

# **Village of Hanover Park, Illinois**



## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
April 30, 2012**

VILLAGE OF HANOVER PARK, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2012

Prepared by Department of Finance

Rebekah Flakus  
Director of Finance

VILLAGE OF HANOVER PARK, ILLINOIS  
TABLE OF CONTENTS

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials.....	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal .....	iv-ix
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	MD&A 1-14
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Assets .....	3
Statement of Activities .....	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets .....	7
Statement of Revenues, Expenditures and Changes in Fund Balances .....	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	9

VILLAGE OF HANOVER PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
BASIC FINANCIAL STATEMENTS (Continued)	
Fund Financial Statements (Continued)	
Proprietary Funds	
Statement of Net Assets .....	10
Statement of Revenues, Expenses and Changes in Net Assets .....	11
Statement of Cash Flows.....	12-13
Fiduciary Funds	
Statement of Fiduciary Net Assets .....	14
Statement of Changes in Fiduciary Net Assets.....	15
Notes to Financial Statements.....	16-56
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund .....	57
Motor Fuel Tax Fund .....	58
Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund .....	59
Sheriff's Law Enforcement Personnel.....	60
Police Pension Fund .....	61
Firefighters' Pension Fund .....	62
Other Postemployment Benefit Plan .....	63
Notes to Required Supplementary Information.....	64

VILLAGE OF HANOVER PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Schedule of Revenues - Budget and Actual.....	65-66
Schedule of Expenditures - Budget and Actual.....	67-72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Obligation Bond Series of 2011 Fund.....	73
Municipal Building Fund.....	74

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet.....	75-76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77-78
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Road and Bridge Fund.....	79
Tax Increment Financing #2 Fund.....	80
Tax Increment Financing #3 Fund.....	81
Tax Increment Financing #4 Fund.....	82
Special Service Area #3 Fund.....	83
Special Service Area #4 Fund.....	84
Special Service Area #5 Fund.....	85
Nonmajor Debt Service Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Obligation Bond Series of 2001 Fund.....	86
General Obligation Bond Series of 2002 Fund.....	87
General Obligation Bond Series of 2010 Fund.....	88
General Obligation Bond Series of 2010A Fund.....	89
Nonmajor Capital Projects Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Special Service Area #6 Fund.....	90
General Capital Projects Fund.....	91

VILLAGE OF HANOVER PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)	
MAJOR ENTERPRISE FUND	
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Waterworks and Sewerage Fund.....	92-93
NONMAJOR ENTERPRISE FUNDS	
Combining Statement of Net Assets .....	94
Combining Statement of Revenues, Expenses, and Changes in Net Assets .....	95
Combining Statement of Cash Flows .....	96-97
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Municipal Railroad Parking Lot Fund .....	98
Hanover Square Fund.....	99
INTERNAL SERVICE FUNDS	
Combining Statement of Net Assets .....	100
Combining Statement of Revenues, Expenses and Changes in Net Assets .....	101
Combining Statement of Cash Flows .....	102-103
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Central Equipment Fund .....	104
FIDUCIARY FUNDS	
PENSION TRUST FUNDS	
Combining Statement of Net Assets .....	105
Combining Statement of Changes in Net Assets.....	106
Schedule of Changes in Net Assets - Budget and Actual Police Pension Fund .....	107
Firefighters' Pension Fund.....	108

VILLAGE OF HANOVER PARK, ILLINOIS  
 TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS  
 AND SCHEDULES (Continued)

OTHER SUPPLEMENTAL INFORMATION

Long-Term Debt Requirements

General Obligation Bond Series of 2010 .....	109
General Obligation Bond Series of 2010A .....	110
General Obligation Refunding Bond Series of 2011 .....	111
1997 Illinois Environmental Protection Agency Loan .....	112
2000 Illinois Environmental Protection Agency Loan .....	113

STATISTICAL SECTION (Unaudited)

Financial Trends

Net Assets by Component .....	114
Change in Net Assets .....	115-118
Fund Balances of Governmental Funds .....	119
Changes in Fund Balances of Governmental Funds .....	120-121

Revenue Capacity

Equalized Assessed Value and Total Direct Tax Rate - Cook County .....	122
Equalized Assessed Value and Total Direct Tax Rate - DuPage County .....	123
Direct and Overlapping Property Tax Rates - Cook County.....	124
Direct and Overlapping Property Tax Rates - DuPage County.....	125
Principal Property Taxpayers .....	126
Property Tax Levies and Collections .....	127
Taxable Sales by Category .....	128
Home Rule Taxable Sales by Category.....	129
Direct and Overlapping Sales Tax Rates - Cook County.....	130
Direct and Overlapping Sales Tax Rates - DuPage County.....	131

Debt Capacity

Ratios of Outstanding Debt by Type .....	132
Ratios of General Bonded Debt Outstanding.....	133
Direct and Overlapping Bonded Debt.....	134
Legal Debt Margin .....	135

Demographic and Economic Information

Demographic and Economic Statistics.....	136
Principal Employers .....	137

Operating Information

Full-Time Equivalent Village Government Employees by Function.....	138
Operating Indicators .....	139-140
Capital Assets Statistics .....	141

## INTRODUCTORY SECTION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2012

---

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

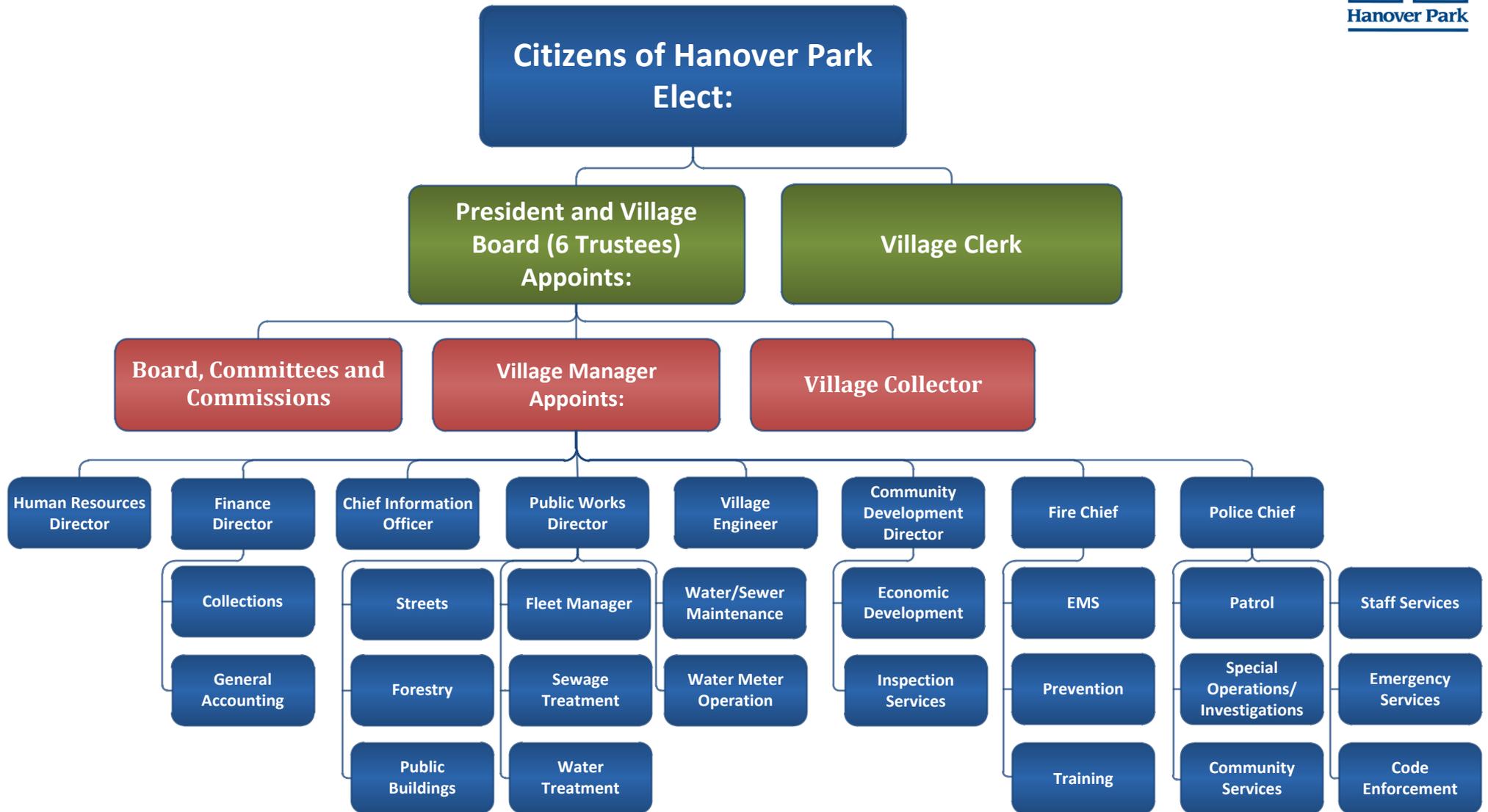
ADMINISTRATIVE

Ronald Moser, Manager

FINANCE DEPARTMENT

Rebekah Flakus  
Director of Finance

# Village of Hanover Park – Table of Organization



# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



## Village of Hanover Park Administration

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

630-823-5600  
FAX 630-823-5786  
www.hpil.org

**PRESIDENT**  
RODNEY S. CRAIG

**VILLAGE CLERK**  
EIRA CORRAL

**TRUSTEES**  
WILLIAM CANNON  
JAMES KEMPER  
JENNI KONSTANZER  
JON KUNKEL  
RICK ROBERTS  
EDWARD J. ZIMEL, JR.

**VILLAGE MANAGER**  
JULIANA A. MALLER

August 31, 2012

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 ended April 30, 2012 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 ended April 30, 2012.

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 unqualified ("clean") opinion on the Village's financial statements for the year ended April 30, 2012. 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 Board-Manager form of government. The Village is a home-rule community as defined by the Illinois 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 Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. 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, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates a water and sewer utility and a municipal commuter parking lot.

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. The Village Board is required to hold a public hearing on the proposed budget, and a final budget must be adopted by the Village Board by April 30th 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 49 part-time positions, excluding seasonal workers, in the Fiscal Year 2012 annual budget. There are four different labor unions that represent sworn police officers, firefighters, paid on-call firefighters, and Public Works employees.

### **Local Economy**

Nearly 500 businesses are located in the Village of Hanover Park. There is more than 4,000,000 square feet of business park development located in three industrial areas within the Village and 17 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.

Construction continues in a new mixed-use development, Church Street Station. In fiscal year 2010, Church Street Station acquired a new developer who resumed building in 2010 after Construction was halted during fiscal year 2009 due to the prior developer filing for bankruptcy. This development is located across the street from the municipal train station. In addition, the ongoing construction of the new Police Station was completed during the Fiscal Year and was opened for full use in February, 2012.

The impact of the nationwide recession on the Villages tax revenues appears to still be affecting sales revenues, while other areas remained steady or slightly increased.

- Municipal sales tax revenues totaled \$4,803,807 which was a decrease from the prior year of \$101,252. The 2.07% decrease from Fiscal Year 2011 was primarily due to a reduction in overall sales within Hanover Park.
- Home rule sales tax revenues totaled \$2,078,288 which represents a decrease of \$23,590. The 1.13% decrease from Fiscal Year 2011 was also due to a reduction in overall sales within Hanover Park.
- Rental Income totaled \$279,631 in Fiscal Year 2012. The 6.0% increase from the prior year shows an increase in rental properties within Hanover Park.
- Simplified telecommunications tax revenues increased from \$1,104,014 in Fiscal Year 2011 to \$1,120,588 in 2012
- Ordinance Violation Revenues increased by 50,285 or 23.89% in Fiscal Year 2012. Additional policing and better collections aided in the increase from \$210,525 in Fiscal Year 2011 to \$260,810.

The Village equalized assessed valuation decreased by \$67 million, or 8.28%, from \$810 million in the 2009 levy year to \$743.6 million in the 2010 levy year. This decrease is primarily due to the property reassessments which were completed in 2011. Declines in property values and the economic downturn helped cause the valuation decline.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>% Increase</u>
2004	\$617,180,365	\$55,730,989	9.93%
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%)

### **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.

<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 31, 2012	\$7,773,523	\$27,776,277	27.99%

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. Each year the CIP is 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 2012. The Village, with its budgeted full-time staffing of 196, serves its citizens with 5.3 full-time employees per 1,000 in population. New and continuing projects during the fiscal year reflect the Village's continued commitment to its citizens that the Village is an enviable place to live, work, and transact business and include:

- The Village completed the construction of the new Police Building. The building was open and running February 21, 2012. The total cost of the building was estimated at 19 million and the actual costs should be just about at the estimated costs. Several steps were made to ensure cost-effectiveness by the Police Department.
- As part of the goal to improve the look of its appearance, the Village of Hanover Park purchased Hanover Square Shopping Center on December 21, 2012. The intended plan is to continue to improve the center.
- Tax Increment Financing District # 2 (TIF #2) closed on December 31, 2012. Prior to its closing, the Village approved and started the streetscape project along Barrington Road to enhance the appearance of the area entering into the north part of Hanover Park. The project should be completed by the Fall of 2012.

## **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 ended April 30, 2011. This was the 21<sup>st</sup> 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 satisfies 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 2012 budget document. This was the 21<sup>st</sup> 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, Village Board of Trustees, and the Village Manager for their assistance in planning and conducting the fiscal affairs of the Village in a responsible manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rebekah B. Flakus". The signature is written in black ink and is positioned above the printed name.

Rebekah B. Flakus, CPA  
Director of Finance

## 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



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Members of American Institute of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Village 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, as of and for the year ended April 30, 2012, which collectively comprise the Village of Hanover Park, Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hanover Park, Illinois' management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village adopted GASB Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Village's governmental fund balances as of and for the year ended April 30, 2012.

## INDEPENDENT AUDITOR'S REPORT

The Honorable Village 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, as of and for the year ended April 30, 2012, which collectively comprise the Village of Hanover Park, Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hanover Park, Illinois' management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village adopted GASB Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Village's governmental fund balances as of and for the year ended April 30, 2012.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hanover Park, Illinois' basic financial statements. 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 financial 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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  
August 7, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 assets of the Village exceeded its liabilities at April 30, 2012 by \$98,797,230 (net assets). Of this amount, \$21,792,021 (unrestricted net assets) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets decreased by \$2,334,796 during the fiscal year.
- The governmental activities net assets decreased by \$5,526,921 to \$65,811,675. The governmental activities unrestricted net assets increased \$2,455,270 to \$15,514,984.
- The business-type activities net assets increased by \$3,192,125 to \$32,985,555.
- The Village's combined governmental funds ending fund balance decreased by \$15,030,349 to \$15,390,831 as of April 30, 2012.
- At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$7,773,523 or 27.99% of General Fund Fiscal Year 2013 budgeted expenditures and other financing uses. This represents a decrease of \$57,828, primarily due to sales revenues coming in under the anticipate budget.
- The Village's total long-term debt decreased by \$1,530,762 to \$26,214,663 during the current fiscal year.

### **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 Assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") 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

(See independent auditor's report)

time, increases or decreases in net assets 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 assets changed during the most recent fiscal year 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 assets 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 (Waterworks and Sewerage Fund and the Municipal Railroad Parking Lot Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation. 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 fiscal year. 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.

(See independent auditor's report)

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, Motor Fuel Tax and Municipal Building Funds, 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 internal service funds to account for its vehicle replacement program, compensated absences and post-employment benefits. Each Internal Service Fund predominantly serves governmental rather than business-type functions and has been included with governmental activities in the Government-Wide Financial Statements. At the end of Fiscal Year 2012 the Village dissolved the Compensated Absences and Employee Benefits Funds into the General Fund.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Waterworks and Sewerage Fund is considered a major fund of the Village and is presented in a separate column in the Fund Financial Statements. The Municipal Railroad Parking Lot Fund and the Hanover Square Shopping Center Fund are the Village's non-major enterprise funds. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the Municipal Railroad Parking Lot and Hanover Square Funds and the Internal Service Funds 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 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 16-56 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Village's assets exceeded its liabilities by \$98,797,230 as of April 30, 2012. The largest portion of the Village's net assets reflects its investment in capital assets (\$71,943,215 or 72.8%), 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.

The following table reflects the condensed Statement of Net Assets:

<b><u>Village of Hanover Park</u></b>						
<b><u>Statement of Net Assets as of April 30, 2012</u></b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
<b>Assets</b>						
Current and Other Assets	\$ 50,977,919	\$ 31,926,837	\$ 7,417,104	\$ 7,741,227	\$ 58,395,023	\$ 39,668,064
Capital Assets	59,177,719	70,170,097	25,779,425	28,614,763	84,957,144	98,784,860
<b>Total Assets</b>	<b>110,155,638</b>	<b>102,096,934</b>	<b>33,196,529</b>	<b>36,355,990</b>	<b>143,352,167</b>	<b>138,452,924</b>
<b>Liabilities</b>						
Current Liabilities	13,699,412	12,163,809	1,000,845	1,277,222	14,700,257	13,441,031
Long-Term Liabilities	25,343,171	24,121,450	2,402,254	2,093,213	27,745,425	26,214,663
<b>Total Liabilities</b>	<b>39,042,583</b>	<b>36,285,259</b>	<b>3,403,099</b>	<b>3,370,435</b>	<b>42,445,682</b>	<b>39,655,694</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	44,389,269	45,248,341	23,554,396	26,694,874	67,943,665	71,943,215
Restricted	13,664,072	5,048,350	-	13,644	13,664,072	5,061,994
Unrestricted	13,059,714	15,514,984	6,239,034	6,277,037	19,298,748	21,792,021
<b>Total Net Assets</b>	<b>\$ 71,113,055</b>	<b>\$ 65,811,675</b>	<b>\$ 29,793,430</b>	<b>\$ 32,985,555</b>	<b>\$ 100,906,485</b>	<b>\$ 98,797,230</b>

(See independent auditor's report)

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**April 30, 2012**

---

An additional portion of the Village's net assets (\$5,061,994 or 5.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$21,792,021 or 22.1%) 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 assets both for the government as a whole, as well as for its separate governmental and business-type activities.

The Village's combined net assets decreased by \$2,334,796 as a result of the governmental activities decreasing \$5,526,921 and business-type activities increasing \$3,192,125.

The net assets of business-type activities totaled \$32,985,555, an increase of \$3,192,125 from Fiscal Year 2011. The increase is primarily due to \$2.8 million transfer from TIF #3 to open the Hanover Square Shopping Center Fund.

The unrestricted net assets of \$6,277,037 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its commuter parking programs. For more detailed information see the Statement of Net Assets on page 3.

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**April 30, 2012**

**Changes in Net Assets**

**Governmental Activities**

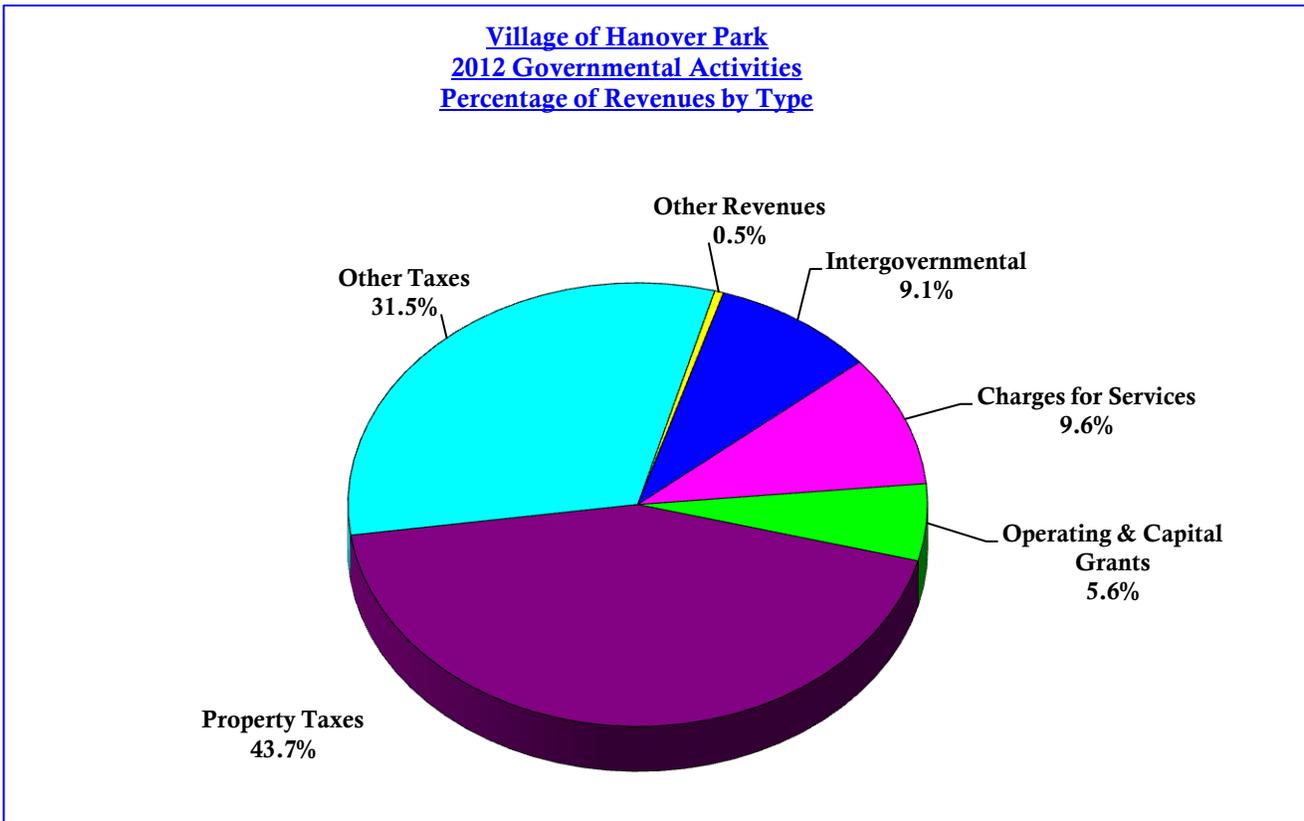
Governmental activities net assets decreased by \$5,526,921 to \$65,811,675. Key elements contributing to this net change are as follows:

**Revenues**

For the fiscal year ended April 30, 2012 revenues from governmental activities totaled \$33,881,971, an increase of \$1,708,375. This represents a change of 5.3%. Property taxes continue to be the Village's largest revenue source totaling \$14,808,277 and representing 43.7% of total governmental activity revenue. Other Taxes, including sales tax, utility tax, food and beverage tax, hotel tax, and real estate transfer tax total \$10,666,876 or 31.5% of the total governmental activities revenues. Intergovernmental revenues, including State Income Tax and Replacement Tax, represent 9.1%.

<b>Village of Hanover Park</b>						
<b>Changes in Net Assets for the Fiscal Year Ended April 30, 2012</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 3,005,180	\$ 3,217,311	\$ 8,257,357	\$ 9,455,377	\$ 11,262,537	\$ 12,672,688
Operating Grants	1,546,945	1,432,867	-	-	1,546,945	1,432,867
Capital Grants	543,452	475,557	-	102,105	543,452	577,662
General Revenues						
Property Taxes	13,130,988	14,808,277	-	-	13,130,988	14,808,277
Other Taxes	10,640,501	10,666,876	-	-	10,640,501	10,666,876
Intergovernmental	3,077,195	3,096,265	-	-	3,077,195	3,096,265
Other Revenue	229,335	184,818	29,442	12,473	258,777	197,291
Total Revenues	<u>32,173,596</u>	<u>33,881,971</u>	<u>8,286,799</u>	<u>9,569,955</u>	<u>40,460,395</u>	<u>43,451,926</u>
Expenses						
General Government	4,618,393	4,634,174	-	-	4,618,393	4,634,174
Public Works	5,160,147	8,971,096	-	-	5,160,147	8,971,096
Public Safety	17,146,057	15,473,122	-	-	17,146,057	15,473,122
Community Development	1,085,698	5,183,573	-	-	1,085,698	5,183,573
Highways and Streets	1,582,651	1,499,979	-	-	1,582,651	1,499,979
Interest	906,055	1,041,142	-	-	906,055	1,041,142
Water and Sewer	-	-	8,044,254	8,443,812	8,044,254	8,443,812
Commuter Parking Lot	-	-	336,895	309,014	336,895	309,014
Hanover Square	-	-	-	230,810	-	230,810
Total Expenses	<u>30,499,001</u>	<u>36,803,086</u>	<u>8,381,149</u>	<u>8,983,636</u>	<u>38,880,150</u>	<u>45,786,722</u>
Change in Net Assets before Transfers	1,674,595	(2,921,115)	(94,350)	586,319	1,580,245	(2,334,796)
Net Transfers	163,219	(2,605,806)	(163,219)	2,605,806	-	-
Change in Net Assets	<u>1,837,814</u>	<u>(5,526,921)</u>	<u>(257,569)</u>	<u>3,192,125</u>	<u>1,580,245</u>	<u>(2,334,796)</u>
Net Assets, May 1	69,275,241	71,113,055	30,050,999	29,793,430	99,326,240	100,906,485
Prior Period Adjustment	-	225,541	-	-	-	225,541
Net Assets, May 1, Restated	<u>69,275,241</u>	<u>71,338,596</u>	<u>30,050,999</u>	<u>29,793,430</u>	<u>99,326,240</u>	<u>101,132,026</u>
Net Assets, April 30	<u>\$ 71,113,055</u>	<u>\$ 65,811,675</u>	<u>\$ 29,793,430</u>	<u>\$ 32,985,555</u>	<u>\$ 100,906,485</u>	<u>\$ 98,797,230</u>

(See independent auditor's report)



Property tax revenues increased by \$1,677,289 to \$14,808,277 in Fiscal Year 2012, compared to \$13,130,988 received in Fiscal Year 2011. This increase resulted from higher TIF increment within TIF #2, and TIF #3, as well as receiving more than anticipated tax revenues with the Road & Bridge Fund.

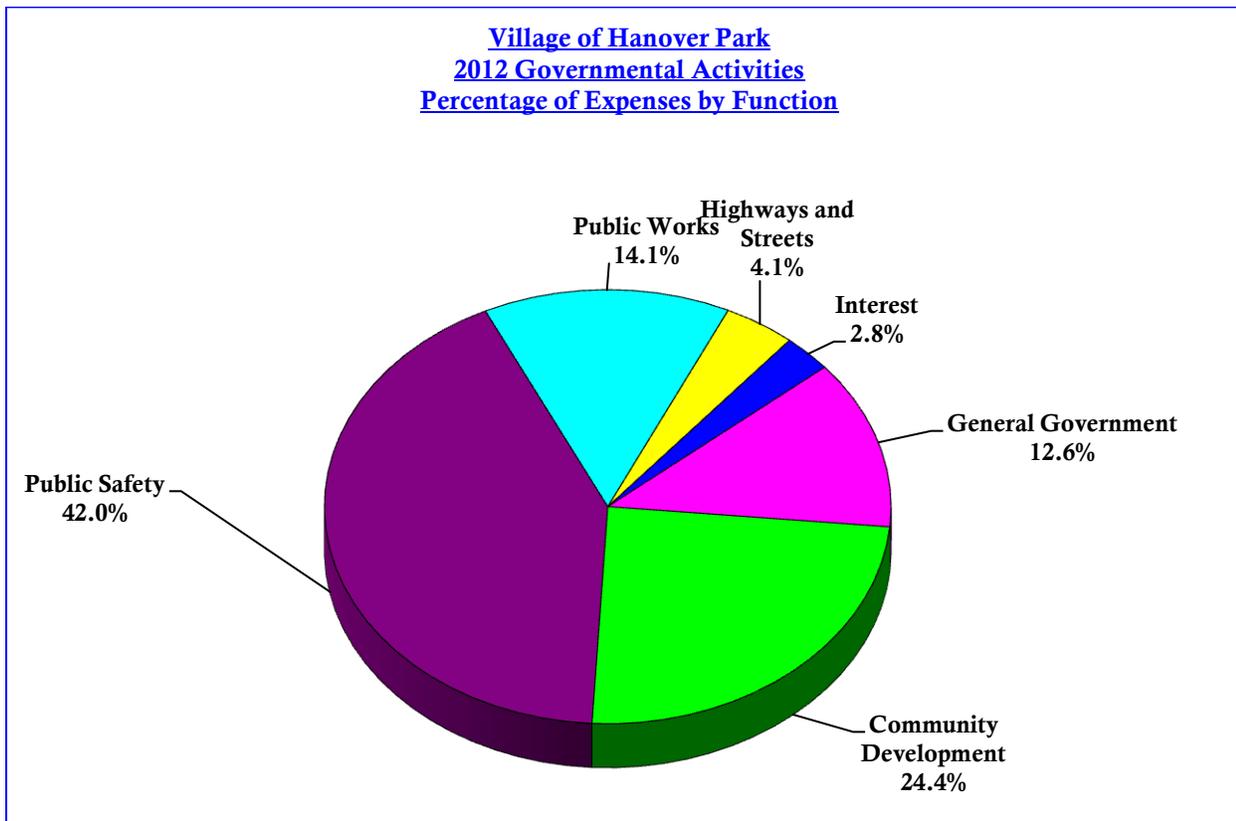
Sales and Use Tax revenues have decreased from the prior fiscal year by \$128,687. Lower than anticipated consumer spending contributed to the decrease in sales revenues. The real estate transfer tax revenues have also increased showing home sales are starting to become more frequent. State income tax and utility taxes decreased slightly from the prior fiscal year due to the remaining effects of the softened economy.

Village of Hanover Park  
Changes in Select Governmental Activities Revenues

	Fiscal Year		Increase	% Increase
	2011	2012	(Decrease)	(Decrease)
Sales and Use Tax	\$ 7,561,001	\$ 7,432,314	\$ (128,687)	-1.7%
State Income Tax	2,984,408	3,096,265	111,857	3.7%
Utility Taxes	1,720,085	1,730,990	10,905	0.6%
Real Estate Transfer Tax	233,762	248,277	14,515	6.2%

**Expenses**

For the fiscal year ended April 30, 2012, expenses from governmental activities totaled \$36,803,086 an increase of \$6,304,085 from Fiscal Year 2011. \$3,867,544 of the increase was a transfer to Cook County for the closing of TIF #2 (Tax Increment Financing) on December 31, 2012. Other increases include higher operating costs within public works and public safety divisions, including an increase in police and firefighters' pension costs of approximately \$105,000. These higher operating costs were somewhat offset by an increase in revenues.



**Business-Type Activities**

Business-type activities net assets increased \$3,192,125 to \$32,985,555. Key elements of this net change are as follows:

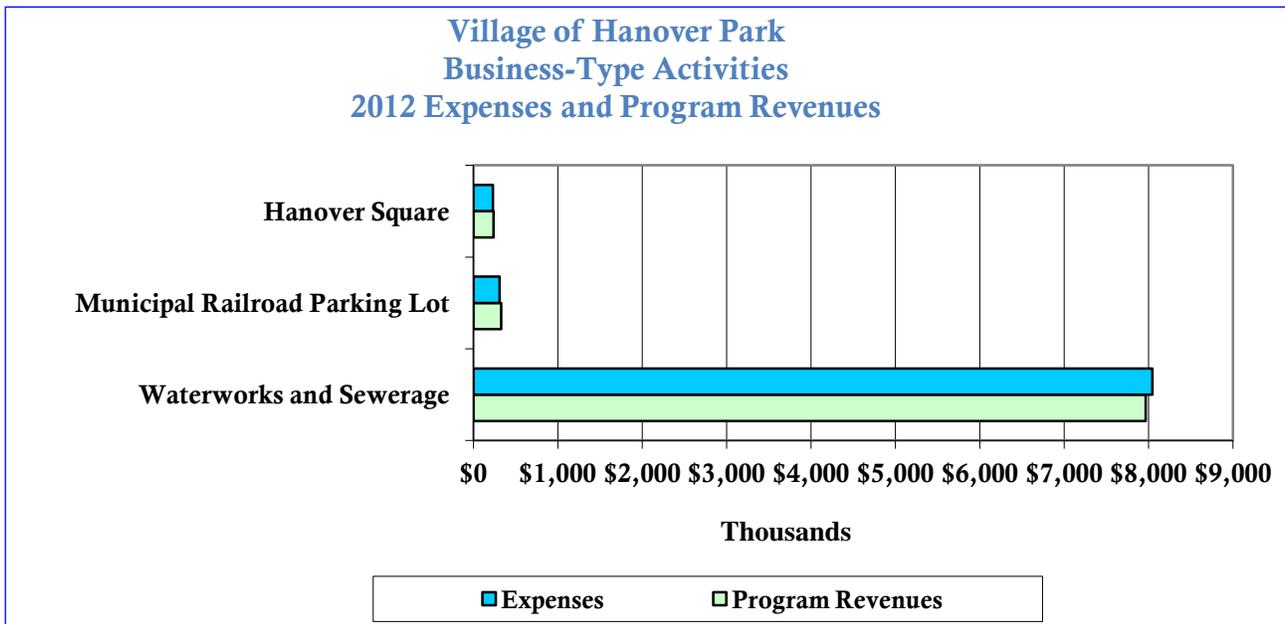
**Revenues**

Water sales increased \$619,557 or 12.9%, from \$4,796,926 in fiscal year 2011 to \$5,416,483 in fiscal year 2012. 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 2012 revenues decreased from \$320,853 to \$261,556 due to a decrease in the volume of leachate being treated. Interest revenue continues to remain low due to the economic downturn. Sewer Service revenues increased from \$2,547,045 in fiscal year 2011 to \$2,783,286 due to an anticipated water and sewer rate increase. Operating revenues for the Municipal Railroad Parking Lot Fund increased \$36,463 or 12.5% from \$292,266 to \$328,729. This increase is primarily due to an

increase in parking fee revenues showing the Village signs of more people pursuing alternate methods of travel and utilizing the train more often.

**Expenses**

Expenses from all business-type activities increased \$602,487 or 7.2% to \$8,983,636. This increase is mostly due the addition of the Hanover Square Shopping Center Fund. Expenses in the Waterworks and Sewerage Fund currently exceed program revenues. Over the past few years, expenses have exceeded the program revenues within the Waterworks and Sewerage Fund with



the intent of the Village to utilize Fund reserves and to prevent the residents from 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 supply. 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 figure out a new water rate increase structure to offset these increased costs.

**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.

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**April 30, 2012**

As of the end of the current fiscal year, the governmental funds reflect a combined fund balance of \$15,390,831, a decrease of \$15,030,349 from the prior year. Of the total fund balance, \$6,710,790 is unassigned indicating availability for continuing Village services. \$674,316 of the total fund balance is assigned for community development and \$518,719 is assigned for capital projects. \$2,438,659 of the total fund balance is considered to be nonspendable for prepaid expense, inventories and advances. The remainder of fund balance is restricted to indicate that it is not available for new spending. The restricted fund balance of \$5,048,350 includes \$136,946 for Public Safety, \$3,232,755 for highways and streets, \$324,283 for debt service, \$894,971 for community development and \$459,395 for special service areas. The amount Due from Other Governments in the General Fund increased by \$206,608 from Fiscal Year 2011 due to a reclassification of the miscellaneous intergovernmental receivable to Due from Other Governments in the current fiscal year.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$1,119,852 from Fiscal Year 2011 to \$10,016,819, but \$7,773,623 is the unrestricted amount. The increase is due primarily to the absorption of the Employee Benefits and the Compensated Absences Funds into the General Fund. The Village also received about \$670,000 from Cook County with the Closing of TIF #2 (Tax Increment Financing). 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 for items stated in the previous paragraph. Following is a chart showing a history of the General Fund unreserved/unrestricted fund balance:

<u>General Fund</u>				
<u>Comparison of the Results of Operations and the</u>				
<u>Unreserved/Unrestricted Fund Balance Fiscal Years 2009 - 2012</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues and Transfers	\$ 23,095,317	\$ 23,079,135	\$ 25,555,351	\$ 30,351,147
Expenditures and Transfers	<u>23,067,891</u>	<u>23,266,651</u>	<u>24,627,888</u>	<u>29,231,295</u>
Results of Operations	27,426	(187,516)	927,463	1,119,852
Fund Balance - Beginning	<u>8,724,591</u>	<u>8,752,017</u>	<u>7,743,963</u>	<u>\$8,896,967</u>
Fund Balance - Ending	<u><u>\$8,752,017</u></u>	<u><u>\$8,564,501</u></u>	<u><u>\$8,671,426</u></u>	<u><u>\$10,016,819</u></u>
Reserved/Nonspendable and Restrictive	\$831,732	\$1,072,335	\$840,075	2,243,296
Unreserved/Unrestricted	<u>7,920,285</u>	<u>7,492,166</u>	<u>7,831,351</u>	<u>7,773,523</u>
Total Fund Balance	<u><u>\$8,752,017</u></u>	<u><u>\$8,564,501</u></u>	<u><u>\$8,671,426</u></u>	<u><u>\$10,016,819</u></u>
Unreserved Fund Balance as a				
Percentage of Budgeted Expenditures	32.63%	31.81%	30.71%	27.99%

The Motor Fuel Tax Fund experienced a \$322,044, or 13.2% decrease in fund balance. The anticipated decrease in fund balance was due to the extension of the street resurfacing project and a complete reconstruction of two streets within the Village. Funds were available in the reserves and

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**April 30, 2012**

the Village wanted to repair as many streets as possible with the additional revenues received in previous years.

During the year, the Village refinanced the General Obligation Bond Series 2004, and transferred all revenues and expenses to the General Obligation Bond Series 2011. The General Obligation Bond Series of 2011 Fund experienced an \$115,523, or 147.6% increase in fund balance. This increase was because of an increase in receipts of the first installment of the 2011 property taxes being received in Fiscal Year 2012. The timing difference will correct itself in Fiscal Year 2013.

The fund balance of the Municipal Building Fund decreased by \$10,303,819 to \$466,224. This is due to the expenses of \$11,573,456 to complete the construction of the new police building. Any remaining expenses will be paid for the police building in the beginning of Fiscal Year 2013.

**Proprietary Funds**

At April 30, 2012 the Enterprise Funds total net assets increased by \$3,192,125 or 9.7% to \$32,985,555. Water and Sewer Sales remained fairly level, other revenues were higher than anticipated, and interest revenues were down.

<u>Village of Hanover Park</u>					
<u>Waterworks and Sewerage Fund Revenues</u>					
	Fiscal Year		Increase (Decrease)	% Increase Decrease	
	2011	2012			
Water Sales	\$ 4,796,926	\$ 5,416,483	\$ 619,557	12.9%	
Sewer Sales	2,547,045	2,783,286	236,241	9.3%	
Leachate Treatment	320,853	261,556	(59,297)	-18.5%	
Interest	19,653	8,892	(10,761)	-54.8%	
Other Revenues	309,972	533,969	223,997	72.3%	
Total	<u>\$ 7,994,449</u>	<u>\$ 9,004,186</u>	<u>\$ 1,009,737</u>	<u>12.6%</u>	

The Municipal Railroad Parking Lot Fund experienced a gain. Parking fee revenue increased over 12% from the prior fiscal year due to an increase in the parking lot fees.

Hanover Square Shopping Center Fund was created during Fiscal Year 2012 with the purchase of the Shopping Center. The net operations had a surplus of \$6,106 and net assets of \$2,806,106.

**Internal Service Funds**

During the Fiscal Year, the Compensated Absences and the Employee Benefits Funds were dissolved and absorbed into the General Fund. Going forward, the Central Equipment Fund will be the only internal service fund within the Village. The net assets of this fund decreased because of the reduced funding levels from the General Fund and the Water and Sewer Fund which resulted in expenses greatly exceeding revenues. In Fiscal Year 2013, the General Fund and Waterworks & Sewerage will start funding the Central Equipment Fund again.

(See independent auditor's report)

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund actual revenues were \$1,239,569 greater than the final budgeted amounts. Overall, tax revenues, including property, sales, and utility taxes, were over the final budget by a total of \$1,382,297. Property tax revenues were under budget due to the timing of property tax receipts. The entire 2011 levy is included in the budget although only approximately one quarter is recognized as revenue in the fiscal year. The remainder of the property tax revenue is collections from the 2010 tax levy. Municipal and Home Rule Sales Tax revenues were \$330,593 less than the budgeted amount, partially due the downturn in sales throughout Hanover Park. In addition, actual State Income Tax revenues were \$17,940 under the budgeted amount, but Charges for Services was \$60,108 higher due primary to an increase in vehicle impoundment fees and ambulance services. Expenditures within the General Fund were \$830,974 or 3.05% less than the final budgeted amount. Several Departments/Divisions within the General decreased spending including Human Resources, Information Technology, Finance and Fire Departments. Other Financing Uses were lower than budgeted due to lower than expected expenditures in the General Capital Projects. The General Fund reimburses the General Capital Projects Fund for budgeted purchases.

<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2012 Original Budget	2012 Final Budget	Actual	
			2012	2011
Revenues	\$ 24,848,092	\$ 26,392,506	\$ 27,632,075	\$ 25,555,351
Expenditures	24,582,828	27,309,903	26,478,929	24,460,050
Excess of Revenues over Expenditures	\$ 265,264	\$ (917,397)	\$ 1,153,146	\$ 1,095,301
Other Financing Sources (Uses)	(265,264)	262,705	(33,294)	(167,838)
Net Change in Fund Balance	\$ -	\$ (654,692)	\$ 1,119,852	\$ 927,463

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2012, amounts to \$98,784,860.

The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, and infrastructure. This amount represents a net increase (including additions and deductions) of \$13,827,716.

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**April 30, 2012**

Village of Hanover Park  
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Land	\$ 28,773,961	\$ 28,807,834	\$ 2,254,633	\$ 4,150,013	\$ 31,028,594	\$ 32,957,847
Construction in progress	6,611,367	394,171	-	-	6,611,367	394,171
Buildings	7,522,440	24,364,318	7,390,372	8,034,490	14,912,812	32,398,808
Improvements other than Buildings	1,427,067	1,427,100	6,245,339	6,243,062	7,672,406	7,670,162
Machinery and Equipment	3,943,741	4,617,775	1,076,886	1,156,256	5,020,627	5,774,031
Infrastructure	10,899,143	10,558,899	8,812,195	9,030,942	19,711,338	19,589,841
<b>Total</b>	<b>\$ 59,177,719</b>	<b>\$ 70,170,097</b>	<b>\$ 25,779,425</b>	<b>\$ 28,614,763</b>	<b>\$ 84,957,144</b>	<b>\$ 98,784,860</b>

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

- New police, public works, and fire vehicles were purchased.
- Construction was completed on the property adjacent to the Village Hall Complex on the land for the new Police Station.
- Purchase of the Land and Building of the Hanover Square Shopping Center along Barrington Road.

The governmental activities net capital assets increased from last year by \$10,992,378 primarily due to completion of the Police Building. The net increase in the business-type activities of \$2,835,338 is due primarily to the purchase of the Hanover Square Shopping Center. The increase in accumulated depreciation reduced the overall impact on net capital assets. 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 31-32.

**Long-Term Debt**

Village of Hanover Park  
Outstanding Debt  
General Obligation Bonds, Revenue Bonds, Loans, and Notes

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	\$ 23,095,000	\$ 22,030,000	\$ -	\$ -	\$ 23,095,000	\$ 22,030,000
IEPA Loan	-	-	2,225,029	1,919,889	2,225,029	1,919,889
<b>Total</b>	<b>\$ 23,095,000</b>	<b>\$ 22,030,000</b>	<b>\$ 2,225,029</b>	<b>\$ 1,919,889</b>	<b>\$ 25,320,029</b>	<b>\$ 23,949,889</b>

(See independent auditor's report)

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 \$1,530,762 or 5.5% during the fiscal year. The key factor in this decrease was the refunding of the 2004 bonds with the 2011 General Obligation Bonds.

The Village, under its home rule authority, does not have a legal debt limit. During Fiscal Year 2010, the Village obtained a bond rating of AA from Standard & Poor's which was an upgrade from their 2007 rating of AA-. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 33-37.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Village's composition is primarily residential with a smaller commercial component. 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 and use tax is expected to increase due to a new industrial business and the relatively recession-proof nature of our sales tax businesses. State income tax revenue, state-shared revenue, is expected to remain relatively constant. The commercial component of the Village includes building material sales, discount grocery stores, restaurants, and other retail businesses.

Real estate transfer tax revenues are expected to slightly increase but still remain low during Fiscal Year 2013 due to the continued reduction in real estate sales and residential property values.

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 included in the Fiscal Year 2013 which includes a 22% increase in water rates on May 1, 2012, followed by an 18% increase on January 1, 2013. An increase in sewer rates was also applied during the same time from of 2.0% in January, 2012 and an additional 3.0% in January, 2013. Commuter parking lot fee changes increased in October, 2012 and have remained at \$1.25 for each parking fee or \$25 for a monthly parking pass.

Budgeted expenditures include increases due to salary adjustments which are part of employee labor agreements. Employee health insurance and pension costs have decreased over the last year, but it they are expected to remain constant through Fiscal Year 2013. Contractual Services expenditures are expected to increase slightly with the mindset to work with consultants to help develop areas within the community.

### **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 Rebekah Flakus, Finance Director, Village of Hanover Park, 2121 Lake Street, Hanover Park, Illinois 60133.

(See independent auditor's report)

## 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 ASSETS

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,762,421	\$ 5,396,244	\$ 22,158,665
Receivables (net of allowances for uncollectibles)			
Property taxes	8,766,838	-	8,766,838
Accounts	398,731	1,946,370	2,345,101
Accrued interest	62,305	1,292	63,597
Other	-	73,754	73,754
Prepaid expenses	1,660,013	323,567	1,983,580
Inventory	49,372	-	49,372
Due from other governments	3,709,553	-	3,709,553
Deferred charges	224,344	-	224,344
Net pension asset	293,260	-	293,260
Capital assets			
Nondepreciable	29,202,005	4,150,013	33,352,018
Depreciable, net of accumulated depreciation	40,968,092	24,464,750	65,432,842
<b>Total assets</b>	<b>102,096,934</b>	<b>36,355,990</b>	<b>138,452,924</b>
<b>LIABILITIES</b>			
Accounts payable	1,510,940	1,122,086	2,633,026
Accrued payroll	377,737	62,397	440,134
Contractors' payable	89,957	-	89,957
Accrued interest	420,172	6,730	426,902
Deposits	-	7,625	7,625
Unearned revenue	8,930,279	61,566	8,991,845
Due to other governments	32,635	-	32,635
Other payables	802,089	16,818	818,907
Long-term liabilities			
Due within one year	785,461	317,376	1,102,837
Due in more than one year	23,335,989	1,775,837	25,111,826
<b>Total liabilities</b>	<b>36,285,259</b>	<b>3,370,435</b>	<b>39,655,694</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	45,248,341	26,694,874	71,943,215
Restricted for			
Public safety	136,946	-	136,946
Highways and streets	3,232,755	-	3,232,755
Debt service	324,283	-	324,283
Community development	894,971	13,644	908,615
Special service areas	459,395	-	459,395
Unrestricted	15,514,984	6,277,037	21,792,021
<b>TOTAL NET ASSETS</b>	<b>\$ 65,811,675</b>	<b>\$ 32,985,555</b>	<b>\$ 98,797,230</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 4,634,174	\$ 1,106,938	\$ -	\$ -
Community development	5,183,573	14,116	-	-
Public safety	15,473,122	1,969,673	55,081	156,375
Public works	8,971,096	126,584	229,502	284,696
Highways and streets	1,499,979	-	1,148,284	34,486
Interest	1,041,142	-	-	-
Total governmental activities	36,803,086	3,217,311	1,432,867	475,557
Business-Type Activities				
Water and sewer	8,443,812	8,889,712	-	102,105
Parking	309,014	328,749	-	-
Hanover Square	230,810	236,916	-	-
Total business-type activities	8,983,636	9,455,377	-	102,105
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 45,786,722</b>	<b>\$ 12,672,688</b>	<b>\$ 1,432,867</b>	<b>\$ 577,662</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,527,236)	\$ -	\$ (3,527,236)
	(5,169,457)	-	(5,169,457)
	(13,291,993)	-	(13,291,993)
	(8,330,314)	-	(8,330,314)
	(317,209)	-	(317,209)
	(1,041,142)	-	(1,041,142)
	<u>(31,677,351)</u>	<u>-</u>	<u>(31,677,351)</u>
	-	548,005	548,005
	-	19,735	19,735
	-	6,106	6,106
	<u>-</u>	<u>573,846</u>	<u>573,846</u>
	<u>(31,677,351)</u>	<u>573,846</u>	<u>(31,103,505)</u>
General Revenues			
Taxes			
Property	14,808,277	-	14,808,277
Replacement	83,412	-	83,412
Sales and local use	7,432,314	-	7,432,314
Utility	1,730,990	-	1,730,990
Hotel/motel	35,281	-	35,281
Food and beverage	1,086,568	-	1,086,568
Real estate transfer	248,277	-	248,277
Other taxes	50,034	-	50,034
Intergovernmental	3,096,265	-	3,096,265
Investment income	71,672	8,996	80,668
Miscellaneous	113,146	3,477	116,623
Transfers in (out)	(2,605,806)	2,605,806	-
Total	<u>26,150,430</u>	<u>2,618,279</u>	<u>28,768,709</u>
CHANGE IN NET ASSETS	<u>(5,526,921)</u>	<u>3,192,125</u>	<u>(2,334,796)</u>
NET ASSETS, MAY 1	71,113,055	29,793,430	100,906,485
Prior period adjustment	<u>225,541</u>	<u>-</u>	<u>225,541</u>
NET ASSETS, MAY 1, RESTATED	<u>71,338,596</u>	<u>29,793,430</u>	<u>101,132,026</u>
NET ASSETS, APRIL 30	<u>\$ 65,811,675</u>	<u>\$ 32,985,555</u>	<u>\$ 98,797,230</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2012

	General	Motor Fuel Tax	General Obligation Bond Series of 2004	Municipal Building	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>						
Cash and investments	\$ 5,982,406	\$ 2,375,332	\$ 193,784	\$ 739,837	\$ 3,378,179	\$ 12,669,538
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	7,327,893	-	490,607	-	948,338	8,766,838
Accounts	291,241	660	-	-	106,830	398,731
Accrued interest	24,375	5,830	-	2,762	111	33,078
Prepaid items	1,631,978	28,035	-	-	-	1,660,013
Inventory	49,372	-	-	-	-	49,372
Due from other funds	104,351	-	-	-	-	104,351
Due from other governments	3,586,965	73,720	-	-	48,868	3,709,553
Advances to other funds	425,000	-	-	304,271	-	729,271
<b>TOTAL ASSETS</b>	<b>\$ 19,423,581</b>	<b>\$ 2,483,577</b>	<b>\$ 684,391</b>	<b>\$ 1,046,870</b>	<b>\$ 4,482,326</b>	<b>\$ 28,120,745</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 701,047	\$ 36,540	\$ -	\$ 510,689	\$ 255,666	\$ 1,503,942
Accrued payroll	372,259	2,901	-	-	2,577	377,737
Contractors' payable	-	-	-	89,957	-	89,957
Deferred revenue	7,513,487	-	490,607	-	1,085,838	9,089,932
Due to other governments	32,635	-	-	-	-	32,635
Other payables	787,334	-	-	-	14,755	802,089
Due to other funds	-	-	-	-	104,351	104,351
Advances from other funds	-	-	-	-	729,271	729,271
<b>Total liabilities</b>	<b>9,406,762</b>	<b>39,441</b>	<b>490,607</b>	<b>600,646</b>	<b>2,192,458</b>	<b>12,729,914</b>
<b>FUND BALANCES</b>						
Nonspendable						
Inventory	49,372	-	-	-	-	49,372
Prepaid items	1,631,978	28,035	-	-	-	1,660,013
Advances to other funds	425,000	-	-	304,271	-	729,271
Restricted						
Public safety	136,946	-	-	-	-	136,946
Highways and streets	-	2,416,101	-	-	816,654	3,232,755
Debt service	-	-	193,784	-	130,499	324,283
Community development	-	-	-	-	894,971	894,971
Special service areas	-	-	-	-	459,395	459,395
Unrestricted						
Assigned						
Community development	674,316	-	-	-	-	674,316
Capital improvements	-	-	-	141,953	376,766	518,719
Unassigned (deficit)	7,099,207	-	-	-	(388,417)	6,710,790
<b>Total fund balances</b>	<b>10,016,819</b>	<b>2,444,136</b>	<b>193,784</b>	<b>446,224</b>	<b>2,289,868</b>	<b>15,390,831</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,423,581</b>	<b>\$ 2,483,577</b>	<b>\$ 684,391</b>	<b>\$ 1,046,870</b>	<b>\$ 4,482,326</b>	<b>\$ 28,120,745</b>

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 ASSETS

April 30, 2012

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 15,390,831
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	70,170,097
Less amount reported in internal service funds below	(2,901,084)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(22,030,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net assets	9,328
Accrued interest on long-term liabilities is shown as a liability on the statement of net assets	(420,172)
Unamortized bond issuance costs are shown as an asset on the statement of net assets	224,344
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(892,962)
Net pension asset for the Police Pension Fund is shown as an asset on the statement of net assets	293,260
Net pension obligation for the Firefighters' Pension Fund and the Illinois Municipal Retirement Fund is shown as a liability on the statement of net assets	(111,510)
Net other postemployment benefits obligations is due and payable in the current period and, therefore, are not reported in the governmental funds	(1,096,306)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	159,653
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	<u>7,016,196</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 65,811,675</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 Year Ended April 30, 2012

	General	Motor Fuel Tax	General Obligation Bond Series of 2011	Municipal Building	Nonmajor Governmental	Total Governmental
<b>REVENUES</b>						
Taxes	\$ 21,072,459	\$ -	\$ 384,097	\$ -	\$ 4,018,595	\$ 25,475,151
Licenses and permits	911,722	-	-	-	-	911,722
Charges for services	1,650,614	-	-	-	-	1,650,614
Fines and forfeits	640,015	-	-	-	-	640,015
Intergovernmental	3,196,582	1,152,474	-	150,000	504,994	5,004,050
Investment income	32,636	7,314	45	10,424	21,253	71,672
Miscellaneous	128,047	-	-	-	700	128,747
<b>Total revenues</b>	<b>27,632,075</b>	<b>1,159,788</b>	<b>384,142</b>	<b>160,424</b>	<b>4,545,542</b>	<b>33,881,971</b>
<b>EXPENDITURES</b>						
Current						
General government	5,280,476	-	-	-	-	5,280,476
Community development	382,746	-	-	-	5,183,594	5,566,340
Public safety	17,232,650	-	-	-	-	17,232,650
Public works	3,583,057	-	-	-	-	3,583,057
Highways and streets	-	612,777	-	-	46,534	659,311
Capital outlay	-	869,055	-	11,573,456	1,960,157	14,402,668
Debt service						
Principal retirement	-	-	7,000,000	-	1,095,000	8,095,000
Interest	-	-	278,474	-	854,570	1,133,044
Fiscal charges	-	-	122,920	-	1,656	124,576
<b>Total expenditures</b>	<b>26,478,929</b>	<b>1,481,832</b>	<b>7,401,394</b>	<b>11,573,456</b>	<b>9,141,511</b>	<b>56,077,122</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,153,146</b>	<b>(322,044)</b>	<b>(7,017,252)</b>	<b>(11,413,032)</b>	<b>(4,595,969)</b>	<b>(22,195,151)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds issued at par	-	-	7,030,000	-	-	7,030,000
Discount on bonds issued	-	-	102,775	-	-	102,775
Transfers in	2,719,072	-	-	1,109,213	1,837,347	5,665,632
Transfers (out)	(2,752,366)	-	-	-	(2,881,239)	(5,633,605)
<b>Total other financing sources (uses)</b>	<b>(33,294)</b>	<b>-</b>	<b>7,132,775</b>	<b>1,109,213</b>	<b>(1,043,892)</b>	<b>7,164,802</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,119,852</b>	<b>(322,044)</b>	<b>115,523</b>	<b>(10,303,819)</b>	<b>(5,639,861)</b>	<b>(15,030,349)</b>
<b>FUND BALANCES, MAY 1</b>	<b>8,671,426</b>	<b>2,766,180</b>	<b>78,261</b>	<b>10,750,043</b>	<b>7,929,729</b>	<b>30,195,639</b>
Prior period adjustment	225,541	-	-	-	-	225,541
<b>FUND BALANCES, MAY 1, RESTATED</b>	<b>8,896,967</b>	<b>2,766,180</b>	<b>78,261</b>	<b>10,750,043</b>	<b>7,929,729</b>	<b>30,421,180</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 10,016,819</b>	<b>\$ 2,444,136</b>	<b>\$ 193,784</b>	<b>\$ 446,224</b>	<b>\$ 2,289,868</b>	<b>\$ 15,390,831</b>

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 Year Ended April 30, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (15,030,349)
Amounts reported for governmental activities in the statement activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	12,469,944
Certain revenues are deferred in governmental funds but not in governmental activities	(206,426)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(7,030,000)
The premium on issuance of long-term debt is reported as an other financing use in governmental funds but as an increase of principal outstanding in the statement of activities	(102,775)
Issuance costs associated with the issuance of long-term debt are capitalized and amortized in the statement of activities	224,344
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	8,095,000
The decrease in accrued interest payable is shown as an addition to expense on the statement of activities	27,071
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	(1,834,045)
Amortization	(34,937)
Less amount reported in internal service funds below	437,421
Gains (losses) on the disposal of capital assets is reported in the governmental activities.	(79,112)
The decrease in net pension asset is reported as an increase in expense on the statement of activities	5,063
The increase in net pension obligation is reported as an increase in expense on the statement of activities	153,696
The decrease in the compensated absences liability is an expense on the statement of activities	216,251
The change in net other postemployment benefits obligations are reported only in the statement of activities	(75,514)
The change in net assets of certain activities of internal service funds is in governmental funds	(632,548)
Less compensated absences and net other postemployment benefits obligation formerly reported in internal service funds	<u>(2,130,005)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (5,526,921)</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

April 30, 2012

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 4,957,053	\$ 439,191	\$ 5,396,244	\$ 4,092,883
Receivables				
Accounts	1,924,564	21,806	1,946,370	-
Accrued interest	1,292	-	1,292	29,227
Other	69,284	4,470	73,754	-
Prepaid expenses	293,028	30,539	323,567	-
Total current assets	7,245,221	496,006	7,741,227	4,122,110
<b>NONCURRENT ASSETS</b>				
Capital assets				
Nondepreciable	937,116	3,212,897	4,150,013	-
Depreciable, net of accumulated depreciation	22,520,762	1,943,988	24,464,750	2,901,084
Total noncurrent assets	23,457,878	5,156,885	28,614,763	2,901,084
Total assets	30,703,099	5,652,891	36,355,990	7,023,194
<b>CURRENT LIABILITIES</b>				
Accounts payable	803,656	318,430	1,122,086	6,998
Accrued payroll	59,393	3,004	62,397	-
Accrued interest	6,730	-	6,730	-
Deposits	7,625	-	7,625	-
Unearned revenue	-	61,566	61,566	-
Notes payable - EPA	313,606	-	313,606	-
Other payables	-	16,818	16,818	-
Compensated absences payable	3,770	-	3,770	-
Total current liabilities	1,194,780	399,818	1,594,598	6,998
<b>LONG-TERM LIABILITIES</b>				
Compensated absences	71,627	-	71,627	-
Notes payable - EPA	1,606,283	-	1,606,283	-
Net other postemployment benefit obligation	97,927	-	97,927	-
Total long-term liabilities	1,775,837	-	1,775,837	-
Total liabilities	2,970,617	399,818	3,370,435	6,998
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	21,537,989	5,156,885	26,694,874	2,901,084
Restricted for community development	-	13,644	13,644	-
Unrestricted	6,194,493	82,544	6,277,037	4,115,112
<b>TOTAL NET ASSETS</b>	<b>\$ 27,732,482</b>	<b>\$ 5,253,073</b>	<b>\$ 32,985,555</b>	<b>\$ 7,016,196</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS

For the Year Ended April 30, 2012

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>OPERATING REVENUES</b>				
Charges for services	\$ 8,889,712	\$ 565,665	\$ 9,455,377	\$ 284,120
Total operating revenues	8,889,712	565,665	9,455,377	284,120
<b>OPERATING EXPENSES</b>				
Administration	1,561,193	-	1,561,193	-
Operations	5,910,702	488,629	6,399,331	22,952
Depreciation and amortization	877,463	51,195	928,658	437,421
Total operating expenses	8,349,358	539,824	8,889,182	460,373
OPERATING INCOME (LOSS)	540,354	25,841	566,195	(176,253)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest expense	(55,759)	-	(55,759)	-
Investment income	8,892	104	8,996	28,019
Other income	3,477	-	3,477	-
Gain (loss) on disposal of capital assets	(38,695)	-	(38,695)	23,513
Total nonoperating revenues (expenses)	(82,085)	104	(81,981)	51,532
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	458,269	25,945	484,214	(124,721)
<b>TRANSFERS IN (OUT)</b>				
Transfer in	-	2,800,000	2,800,000	2,130,006
Transfer (out)	(194,194)	-	(194,194)	(2,637,833)
Total transfers in (out)	(194,194)	2,800,000	2,605,806	(507,827)
CONTRIBUTIONS	102,105	-	102,105	-
CHANGE IN NET ASSETS	366,180	2,825,945	3,192,125	(632,548)
NET ASSETS, MAY 1	27,366,302	2,427,128	29,793,430	7,648,744
NET ASSETS, APRIL 30	\$ 27,732,482	\$ 5,253,073	\$ 32,985,555	\$ 7,016,196

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2012

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 8,444,122	\$ 558,272	\$ 9,002,394	\$ -
Receipts from interfund services	-	-	-	284,120
Payments to suppliers	(4,679,428)	(444,675)	(5,124,103)	(22,952)
Payments to employees	(2,587,715)	(152,847)	(2,740,562)	-
Net cash from operating activities	1,176,979	(39,250)	1,137,729	261,168
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments on interfund advances	1,388,034	-	1,388,034	(1,388,034)
Transfers in (out)	(194,194)	2,800,000	2,605,806	(1,109,213)
Net cash from noncapital financing activities	1,193,840	2,800,000	3,993,840	(2,497,247)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(894,427)	(2,375,444)	(3,269,871)	(585,554)
Proceeds from sale of capital assets	(38,695)	-	(38,695)	30,770
Principal paid on EPA loans	(305,140)	-	(305,140)	-
Interest paid on EPA loans	(58,888)	-	(58,888)	-
Net cash from capital and related financing activities	(1,297,150)	(2,375,444)	(3,672,594)	(554,784)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investment securities	845,825	-	845,825	1,878,291
Interest received	12,131	105	12,236	30,613
Net cash from investing activities	857,956	105	858,061	1,908,904
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,931,625	385,411	2,317,036	(881,959)
CASH AND CASH EQUIVALENTS, MAY 1	2,700,346	53,780	2,754,126	4,434,719
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 4,631,971	\$ 439,191	\$ 5,071,162	\$ 3,552,760

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2012

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 540,354	\$ 25,841	\$ 566,195	\$ (176,253)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	877,463	51,195	928,658	437,421
Other nonoperating revenues	3,477	-	3,477	-
Changes in assets and liabilities				
Receivables	(99,102)	673	(98,429)	-
Prepaid expenses	(125,991)	(19,765)	(145,756)	-
Accounts payable	126,855	(112,048)	14,807	-
Accrued payroll	9,651	441	10,092	-
Contractors deposits	1,000	-	1,000	-
Deferred revenue	-	(1,405)	(1,405)	-
Compensated absences	(10,646)	-	(10,646)	-
Other payables	(152,827)	15,818	(137,009)	-
Net other postemployment benefit obligation	6,745	-	6,745	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,176,979</b>	<b>\$ (39,250)</b>	<b>\$ 1,137,729</b>	<b>\$ 261,168</b>
<b>CASH AND INVESTMENTS</b>				
Cash and cash equivalents	\$ 4,631,971	\$ 439,191	\$ 5,071,162	\$ 3,552,760
Investments	325,082	-	325,082	540,123
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 4,957,053</b>	<b>\$ 439,191</b>	<b>\$ 5,396,244</b>	<b>\$ 4,092,883</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital asset contributions	\$ 102,105	\$ -	\$ 102,105	\$ 2,130,005

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2012

---

	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,273,195
Investments	
U.S. government and agency obligations	10,037,291
Corporate bonds	96,140
Money market mutual funds	5,247,126
Mutual funds	16,139,036
Receivables	
Accrued interest	91,147
Prepaid items	<u>850</u>
 Total assets	 <u>32,884,785</u>
<b>LIABILITIES</b>	
Accounts payable	<u>13,280</u>
 Total liabilities	 <u>13,280</u>
 <b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	 <u><u>\$ 32,871,505</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2012

---

ADDITIONS	
Contributions	
Employer contributions	\$ 2,367,961
Employee contributions	777,186
Other contributions	<u>354</u>
Total contributions	<u>3,145,501</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	(528,868)
Interest	<u>778,880</u>
Total investment income	250,012
Less investment expense	<u>(62,280)</u>
Net investment income	<u>187,732</u>
Total additions	<u>3,333,233</u>
DEDUCTIONS	
Benefits and refunds	2,206,103
Administrative expenses	<u>72,254</u>
Total deductions	<u>2,278,357</u>
NET INCREASE	1,054,876
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>31,816,629</u>
April 30	<u>\$ 32,871,505</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2012

---

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 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.

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 a village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds) the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). 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). The Village has elected, under the provisions of GASB Statement 20 entitled, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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 assets 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.

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 General Obligation Bond Series of 2011 Fund is used to accumulate monies restricted for the payment of the General Obligation Bond Series of 2004 and the subsequent refunding of those bonds with the General Obligation Refunding Bonds Series of 2011.

The Municipal Building Fund is used to accumulate resources assigned for the municipal building construction project. Initial funding is provided by a transfer from the General Fund.

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 program for funding compensated absences related to governmental activities (closed this year) and the program for funding other postemployment benefit liabilities related to governmental activities (closed this year).

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Nonoperating revenue/expenses are incidental to the operations of these funds.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports deferred revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the government 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 for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

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 nonnegotiable 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 April 30. 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.

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

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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.

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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Material bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 Assets

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 resolutions and 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. Any residual fund balance of the General Fund is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Equity/Net Assets (Continued)

The Village has not adopted a flow of funds policy and, therefore, applies the flow of funds from GASB Statement No. 54, which 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 assets, restricted funds are spent first then unrestricted funds.

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

None of the restricted net assets 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.

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The General Obligation Bond Series of 2010 and Special Service Area #6 Funds reported deficit fund balances of \$90,134 and \$298,283, 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 deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the Village adopted by the Village Board and one policy each for the Police and Firefighters' Pension Funds approved by their respective boards.

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 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 statutes 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.

#### 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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 101,154	\$ -	\$ 101,154	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 101,154</b>	<b>\$ -</b>	<b>\$ 101,154</b>	<b>\$ -</b>	<b>\$ -</b>

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.

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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

c. Police and Firefighters' Pension Funds 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 Police and Firefighters' Pension Funds' deposits may not be returned to them. The Police and Firefighters' Pension Funds' 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 Police and Firefighters' Pension Funds' deposits with financial institutions.

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

3. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 3,618,053	\$ -	\$ 2,536,416	\$ 1,081,637	\$ -
U.S. agency obligations	1,227,287	296,718	297,652	196,794	436,123
Corporate bonds	50,600	50,600	-	-	-
<b>TOTAL</b>	<b>\$ 4,895,940</b>	<b>\$ 347,318</b>	<b>\$ 2,834,068</b>	<b>\$ 1,278,431</b>	<b>\$ 436,123</b>

Interest rate risk in the Police Pension Fund's investment policy states that the investment portfolio will remain sufficiently liquid to enable the Police Pension 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 in the Police Pension 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 year end, the Police Pension Fund's investments in U.S. Government and agency securities, municipal bonds and corporate bonds were all rated AAA by Standard and Poor's. The Police Pension Fund's investment in Illinois Funds were also AAAM rated by Standard and Poor's.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 100% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Concentration risk in the Police Pension 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 Police Pension Fund's assets shall be in accordance with the following asset allocation guidelines:

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

3. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

Asset Class	Target	Range
Equities	40%	10% to 45%
Fixed income	57%	50% to 80%
Cash and equivalents	3%	2% to 10%

At year end, the Police Pension Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Police Pension Fund also has \$10,365,183 invested in mutual funds. At year end, the Police Pension Fund has over 5% of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in DFA Emerging Markets Mutual Funds of \$1,423,502, Dimension US Small Cap Mutual Funds of \$1,644,654, Dimensional US Large Cap Mutual Funds of \$1,244,281, Dimensional US Small Cap Mutual Funds of \$1,254,047 and Spartan Index Advantage Mutual Funds of \$1,261,428.

e. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 4,116,370	\$ -	\$ 2,741,284	\$ 1,375,086	\$ -
U.S. agency obligations	1,075,581	271,619	400,415	15,055	388,492
Corporate bonds	45,540	45,540	-	-	-
<b>TOTAL</b>	<b>\$ 5,237,491</b>	<b>\$ 317,159</b>	<b>\$ 3,141,699</b>	<b>\$ 1,390,141</b>	<b>\$ 388,492</b>

Interest rate risk in the Firefighters' Pension Fund's investment policy states that the investment portfolio will remain sufficiently liquid to enable the Firefighters' Pension 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 in the Firefighters' Pension 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 year end, the Firefighters' Pension Fund's investments in U.S. Government and agency securities, municipal bonds and corporate bonds were all rated AAA by Standard and Poor's. The Firefighters' Pension Fund's investment in Illinois Funds were also AAAM rated by Standard and Poor's.

3. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 100% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Concentration risk in the Firefighters' Pension 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 Firefighters' Pension Fund's assets shall be in accordance with the following asset allocation guidelines:

Asset Class	Target	Range
Equities	40%	10% to 45%
Fixed income	57%	50% to 80%
Cash and equivalents	3%	2% to 10%

At year end, the Firefighters' Pension Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Firefighters' Pension Fund also has \$5,773,853 invested in mutual funds. At year end, the Firefighters' Pension Fund has over 5% of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Spartan International Index Fund of \$767,844, Dimensional Advisor US Small Cap Value Funds of \$894,501, Dimensional Advisor US Large Cap Value Funds of \$675,702 and Dimensional Advisor US Small Cap Funds of \$681,692.

4. RECEIVABLES - TAXES

Property taxes for 2011 attached as an enforceable lien on January 1, 2011, 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, 2012 and are payable in two installments, on or about June 1, 2012 and September 1, 2012. Tax bills are prepared by Cook County and issued on or about February 1, 2012 and July 1, 2012 and are payable March 1, 2012 and August 1, 2012. The counties collect such taxes and remit them periodically. The uncollected portion of the 2011 levy has been recorded as receivable and deferred revenue at April 30, 2012.

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

4. RECEIVABLES - TAXES (Continued)

The 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of April 30, 2012 as the tax has not yet been levied by the Village and will not be levied until December 2012 and, therefore, the levy is not measurable at April 30, 2012.

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 3,715,270	\$ -	\$ -	\$ 3,715,270
Permanent easements	-	33,873	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	6,611,367	394,171	6,611,367	394,171
Total capital assets not being depreciated	35,385,328	428,044	6,611,367	29,202,005
Capital assets being depreciated				
Buildings	11,328,014	17,342,126	-	28,670,140
Machinery, equipment and vehicles	8,671,156	1,369,946	410,005	9,631,097
Improvements other than buildings	1,872,017	97,302	-	1,969,319
Infrastructure	32,593,313	288,571	-	32,881,884
Total capital assets being depreciated	54,464,500	19,097,945	410,005	73,152,440
Less accumulated depreciation for				
Buildings	3,805,574	500,248	-	4,305,822
Machinery, equipment and vehicles	4,727,415	607,713	321,806	5,013,322
Improvements other than buildings	444,950	97,269	-	542,219
Infrastructure	21,694,170	628,815	-	22,322,985
Total accumulated depreciation	30,672,109	1,834,045	321,806	32,184,348
Total capital assets being depreciated, net	23,792,391	17,263,900	88,199	40,968,092
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 59,177,719	\$ 17,691,944	\$ 6,699,566	\$ 70,170,097

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 232,377
Public safety	734,654
Public works	867,014
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,834,045</b>

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

5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,254,633	\$ 1,895,380	\$ -	\$ 4,150,013
Total capital assets not being depreciated	2,254,633	1,895,380	-	4,150,013
Capital assets being depreciated				
Buildings and structures	12,568,138	904,620	-	13,472,758
Machinery, equipment and vehicles	3,172,113	284,337	78,993	3,377,457
Underground systems	13,550,642	478,485	-	14,029,127
Improvements other than buildings	9,393,757	239,869	-	9,633,626
Total capital assets being depreciated	38,684,650	1,907,311	78,993	40,512,968
Less accumulated depreciation for				
Building and structures	5,177,766	260,502	-	5,438,268
Machinery and equipment	2,095,227	166,272	40,298	2,221,201
Underground systems	4,738,447	259,738	-	4,998,185
Improvements other than buildings	3,148,418	242,146	-	3,390,564
Total accumulated depreciation	15,159,858	928,658	40,298	16,048,218
Total capital assets being depreciated, net	23,524,792	978,653	38,695	24,464,750
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 25,779,425	\$ 2,874,033	\$ 38,695	\$ 28,614,763

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 (IPBC)

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, quasigovernmental 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.

6. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (IRMA)

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.

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 April 30, 2012.

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.

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

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 April 30	Current Portion
\$3,600,000 General Obligation Bond Series of 2001 dated July 1, 2001, due in annual installments of \$250,000 to \$435,000 on December 1, 2002 through 2011, interest at 4.00% to 4.15%. Purpose: Infrastructure	Debt Service	\$ 435,000	\$ -	\$ 435,000	\$ -	-
\$5,210,000 General Obligation Refunding Bond Series of 2002 dated December 15, 2002, due in annual installments of \$530,000 to \$660,000 on December 1, 2003 through 2011, interest ranging from 2.00% to 3.50%. Purpose: Refunding	Debt Service	660,000	-	660,000	-	-
\$7,000,000 General Obligation Bond Series of 2004, due in annual installments of \$420,000 to \$690,000 plus interest at 3.50% to 4.40% through December 1, 2024.	Debt Service	7,000,000	-	7,000,000	-	-
\$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	10,000,000	-	-	10,000,000	280,000
\$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	5,000,000	-	-	5,000,000	-
\$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	-	7,030,000	-	7,030,000	450,000
<b>TOTAL</b>		<b>\$ 23,095,000</b>	<b>\$ 7,030,000</b>	<b>\$ 8,095,000</b>	<b>\$ 22,030,000</b>	<b>\$ 730,000</b>

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 April 30	Current Portion
1997 EPA Loan I	Waterworks and Sewerage	\$ 1,352,077	\$ -	\$ 209,897	\$ 1,142,180	\$ 215,846
2000 EPA Loan II	Waterworks and Sewerage	872,952	-	95,243	777,709	97,760
<b>TOTAL</b>		<b>\$ 2,225,029</b>	<b>\$ -</b>	<b>\$ 305,140</b>	<b>\$ 1,919,889</b>	<b>\$ 313,606</b>

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		EPA Loans	
	Principal	Interest	Principal	Interest
2013	\$ 730,000	\$ 1,003,846	\$ 313,606	\$ 50,421
2014	810,000	975,360	322,308	41,719
2015	875,000	958,088	331,252	32,776
2016	945,000	937,472	340,444	23,584
2017	985,000	912,942	349,893	14,136
2018	1,030,000	884,930	111,376	6,162
2019	1,050,000	852,954	114,319	3,219
2020	1,070,000	818,218	36,691	482
2021	1,095,000	779,516	-	-
2022	1,120,000	735,760	-	-
2023	1,145,000	688,998	-	-
2024	1,180,000	640,668	-	-
2025	1,235,000	591,048	-	-
2026	1,345,000	536,313	-	-
2027	1,405,000	459,914	-	-
2028	1,445,000	377,630	-	-
2029	1,510,000	292,480	-	-
2030	1,555,000	201,300	-	-
2031	1,500,000	105,000	-	-
<b>TOTAL</b>	<b>\$ 22,030,000</b>	<b>\$ 12,752,437</b>	<b>\$ 1,919,889</b>	<b>\$ 172,499</b>

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 April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds payable	\$ 23,095,000	\$ 7,030,000	\$ 8,095,000	\$ 22,030,000	\$ 730,000
Add unamortized bond premium	-	102,775	7,341	95,434	-
Less unamortized bond discount	(147,040)	-	(42,278)	(104,762)	-
Compensated absences*	1,109,213	55,461	271,712	892,962	55,461
Net pension obligation*	265,206	2,577	156,273	111,510	-
Net other postemployment benefit obligation*	1,020,792	75,514	-	1,096,306	-
<b>TOTAL</b>	<b>\$ 25,343,171</b>	<b>\$ 7,266,327</b>	<b>\$ 8,488,048</b>	<b>\$ 24,121,450</b>	<b>\$ 785,461</b>

\*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 April 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
IEPA loans	\$ 2,225,029	\$ -	\$ 305,140	\$ 1,919,889	\$ 313,606
Compensated absences	86,043	2,260	12,906	75,397	3,770
Net other postemployment benefit obligation	91,182	6,745	-	97,927	-
<b>TOTAL</b>	<b>\$ 2,402,254</b>	<b>\$ 9,005</b>	<b>\$ 318,046</b>	<b>\$ 2,093,213</b>	<b>\$ 317,376</b>

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 April 30, 2012, there was one IDRBB outstanding with outstanding principal of \$515,000.

8. INDIVIDUAL FUND DISCLOSURES

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 104,351
TOTAL		<u>\$ 104,351</u>

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

- \$104,351 due from a nonmajor governmental fund to the General Fund in anticipation of future receipts. Repayment is expected within one year.

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 425,000
Municipal Building	Nonmajor governmental	304,271
TOTAL		<u>\$ 729,271</u>

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

- \$425,000 advance from the General Fund to a nonmajor governmental fund, Special Service Area #6, to cover eligible nonbuilding improvements such as road and lot paving.
- \$304,271 advance from the Municipal and Building Fund to a nonmajor governmental fund, General Obligation Bond Series of 2010 Fund, to cover debt service obligations.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
General	Internal service	\$ 1,109,213
General	Internal service	1,528,620
General	Nonmajor governmental	81,239
Municipal Building	General	1,109,213
Nonmajor governmental	General	1,038,079
Nonmajor governmental	General	605,074
Nonmajor governmental	Waterworks and Sewerage	194,194
Nonmajor enterprise	Nonmajor governmental	<u>2,800,000</u>
<b>TOTAL</b>		<u><u>\$ 8,465,632</u></u>

With the closure of the internal service funds (Employee Compensated Absences and Employee Benefits Funds) to the General Fund, the long-term liabilities have been transferred out as well. This resulted in nonreciprocal transfers totaling \$2,130,006.

Interfund transfers during the year ended April 30, 2012 consisted of the following:

- \$1,109,213 and \$1,528,620 transferred from internal service funds, Compensated Absences Fund and Employee Benefits Fund, to the General Fund to close the funds.
- \$81,239 transferred from a nonmajor governmental fund, General Obligation Bond Series of 2001 Fund, to the General Fund to close the fund.
- \$1,109,213 transferred from the General Fund to the Municipal Building Fund to cover a portion of the capital improvements for the police building.
- \$1,038,079 and \$194,194 transferred from the General Fund and the Waterworks and Sewerage Fund, respectively, to a nonmajor governmental fund, General Capital Projects Fund, to cover project expenses.
- \$605,074 transferred from the General Fund to a nonmajor governmental fund, General Obligation Bond Series of 2002 Fund, to close the fund.
- \$2,800,000 transferred from a nonmajor governmental fund, Tax Increment Financing #3 Fund, to a nonmajor enterprise fund, Hanover Square Fund, to finance the purchase of Hanover Square.

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:

<u>Fiscal Year Ending April 30,</u>	<u>Amount</u>
2013	\$ 416,932
2014	1,560,402
2015	1,841,735
2016	1,203,903
2017	699,987
2018	699,610
2019	699,924
2020	698,185
2021	697,641
	<u>\$ 8,518,319</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 (JAWA)

The Village's water purchase contract with 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 April 30, 2012, four agreements have been executed 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 year elapses, whichever occurs first. For the third agreement, a maximum of \$1,565,729 is to be paid or until 15 years elapses, whichever occurs first. For the fourth 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 year ended April 30, 2012 was \$2,010,071. The total expenditures incurred to date in rebates as of April 30, 2012 is \$6,194,980.

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 April 30, 2012.

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 April 30, 2012. 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 (JAWA)

Description of Joint Venture

The Village is a member of the Northwest Suburban Municipal Joint Action Water Agency (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 April 30, 2010 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	17.70%
Village of Hanover Park	9.90%
Village of Hoffman Estates	16.00%
Village of Mount Prospect	11.40%
City of Rolling Meadows	8.20%
Village of Schaumburg	28.80%
Village of Streamwood	<u>8.00%</u>
TOTAL	<u><u>100.00%</u></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 (JAWA) (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 \$2,254,256 to JAWA for the year ended April 30, 2012. All payments were paid from the Waterworks and Sewerage Fund.

12. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-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 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.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Participating members are required to contribute 4.50% 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 contribution rate for calendar year ended 2011 was 11.41% of covered payroll. The employer required contribution rate for calendar year 2011 was 13.16%.

Sheriff's Law Enforcement Personnel (SLEP)

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 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next ten years of credited service and 1.00% 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 6.50% 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 2010, 2011 or 2012.

Police Pension Plan

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. At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	28
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	30
Nonvested	27
	<hr/>
TOTAL	<u>87</u>

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% 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 \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 1<sup>st</sup> 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 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 year ended April 30, 2011, the Village's contribution was 24.08% of covered payroll.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

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. At April 30, 2011, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	12
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	12
Nonvested	23
	<hr/>
TOTAL	<u>49</u>

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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (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 \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 1<sup>st</sup> 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 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 year ended April 30, 2011, the Village's contribution was 21.76% of covered payroll.

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.

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 (Continued)

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.

Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or Firefighters' Pension Plans, except as follows. Information for IMRF is not available.

Plan	Organization	Amount
Police Pension	DFA Emerging Markets	\$ 1,423,502
	Dimensional US Small Cap	1,644,654
	Dimensional US Large Cap	1,244,281
	Dimensional US Small Cap	1,254,047
	Spartan Index Advantage	1,261,428
		<u>\$ 6,827,912</u>

Plan	Organization	Amount
Firefighters' Pension	Spartan International Index	\$ 767,844
	Dimensional Advisor US Small Cap Value	894,501
	Dimensional Advisor US Large Cap Value	675,702
	Dimensional Advisor US Small Cap	681,692
		<u>\$ 3,019,739</u>

Administrative Costs

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs

The annual pension costs (APC) and the net pension obligation (asset) (NPO) as of April 30, 2012 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, 2009	December 31, 2009	May 1, 2010	May 1, 2010
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	30 Years, Open	30 Years, Open	22 Years, Closed	22 Years, Closed
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	.40% to 10%	.40% to 10%	5.50%	5.50%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

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)	2010	\$ 716,808	\$ 17,516
	2011	800,063	-
	2012	872,864	-
Actual contributions	2010	\$ 675,266	\$ 17,516
	2011	685,332	-
	2012	1,029,138	-
Percentage of APC contributed	2010	94.20%	100.00%
	2011	85.66%	N/A
	2012	117.90%	N/A
NPO (asset)	2010	\$ 41,542	\$ -
	2011	156,274	-
	2012	-	-
	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2010	\$ 1,042,572	\$ 575,690
	2011	1,298,197	700,382
	2012	1,557,255	808,220
Actuarial contributions	2010	\$ 1,047,722	\$ 574,010
	2011	1,302,480	698,763
	2012	1,562,318	805,643
Percentage of APC contributed	2010	100.49%	99.71%
	2011	100.33%	99.77%
	2012	100.33%	99.68%
NPO (asset)	2010	\$ (283,914)	\$ 107,314
	2011	(288,197)	108,933
	2012	(293,260)	111,510

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation

The Village's annual pension cost and net pension obligation for the year ended April 30, 2012 were as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual required contributions	\$ 869,497	\$ 1,562,318	\$ 805,643
Interest on net pension obligation	11,721	(20,894)	7,898
Adjustment to annual required contribution	(8,354)	15,831	(5,321)
Annual pension cost	872,864	1,557,255	808,220
Contributions made	1,029,138	1,562,318	805,643
(Increase) decrease in net pension obligation (asset)	(156,274)	(5,063)	2,577
Net pension obligation (asset), beginning of year	156,274	(288,197)	108,933
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ -	\$ (293,260)	\$ 111,510

The funded status of the plans as of April 30, 2011, based on actuarial valuations performed as of the same date for the Police and Firefighters' Pension Plans and as of December 31, 2011 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 12-c.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 21,679,006	\$ 485,027	\$ 36,631,328	\$ 17,249,912
Actuarial value of plan assets	13,667,654	307,499	20,475,156	11,341,474
Unfunded actuarial accrued liability (UAAL)	8,011,352	177,528	16,156,172	5,908,438
Funded ratio (actuarial value of plan assets/AAL)	63.05%	63.40%	55.90%	65.75%
Covered payroll (active plan members)	\$ 6,527,256	\$ -	\$ 4,664,877	\$ 2,666,892
UAAL as a percentage of covered payroll	122.74%	0.00%	346.34%	221.55%

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.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements

Schedule of Net Assets as of April 30, 2012.

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 771,499	\$ 501,696	\$ 1,273,195
Investments			
U.S. Government and agency obligations	4,845,340	5,191,951	10,037,291
Corporate bonds	50,600	45,540	96,140
Money market mutual funds	4,926,412	320,714	5,247,126
Mutual funds	10,365,183	5,773,853	16,139,036
Receivables			
Accrued interest	65,702	25,445	91,147
Prepaid items	850	-	850
	<hr/>		
Total assets	21,025,586	11,859,199	32,884,785
<b>LIABILITIES</b>			
Accounts payable	6,157	7,123	13,280
	<hr/>		
Total liabilities	6,157	7,123	13,280
	<hr/>		
<b>NET ASSETS</b>	<b>\$ 21,019,429</b>	<b>\$ 11,852,076</b>	<b>\$ 32,871,505</b>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements (Continued)

Schedule of Changes in Net Assets for the year ended April 30, 2012.

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,562,318	\$ 805,643	\$ 2,367,961
Employee	515,151	262,035	777,186
Other contributions	354	-	354
Total contributions	<u>2,077,823</u>	<u>1,067,678</u>	<u>3,145,501</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	(411,986)	(116,882)	(528,868)
Interest income	556,524	222,356	778,880
Less investment expense	(55,720)	(6,560)	(62,280)
Net investment income	<u>88,818</u>	<u>98,914</u>	<u>187,732</u>
Total additions	<u>2,166,641</u>	<u>1,166,592</u>	<u>3,333,233</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,595,478	610,625	2,206,103
Administrative expenses	26,889	45,365	72,254
Total deductions	<u>1,622,367</u>	<u>655,990</u>	<u>2,278,357</u>
NET INCREASE	544,274	510,602	1,054,876
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1	<u>20,475,155</u>	<u>11,341,474</u>	<u>31,816,629</u>
April 31	<u>\$ 21,019,429</u>	<u>\$ 11,852,076</u>	<u>\$ 32,871,505</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 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 April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	110
Active employees - nonvested	<u>80</u>
 TOTAL	 <u><u>213</u></u>
 Participating employers	 <u><u>1</u></u>

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 year ended April 30, 2012. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2012 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, 2010	\$ 406,584	\$ 141,170	34.72%	\$ 838,514
April 30, 2011	416,739	143,279	34.38%	1,111,974
April 30, 2012	229,836	147,577	64.21%	1,194,233

The net OPEB obligation as of April 30, 2012 was calculated as follows:

Annual required contribution	\$ 211,303
Interest on net OPEB obligation	55,599
Adjustment to annual required contribution	<u>(37,066)</u>
Annual OPEB cost	229,836
Contributions made	<u>147,577</u>
Increase in net OPEB obligation	82,259
Net OPEB obligation, beginning of year	<u>1,111,974</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 1,194,233</u></b>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2011 was as follows:

Actuarial accrued liability (AAL)	\$ 3,708,726
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	3,708,726
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 15,721,793
UAAL as a percentage of covered payroll	23.59%

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 May 1, 2010 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% 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 April 30, 2011 was 30 years.

14. PRIOR PERIOD ADJUSTMENT

Fund balance of the General Fund and net assets of governmental activities have been restated by \$225,541 as of May 1, 2011 to correct the reporting of ambulance billing receivables.

## 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

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 17,599,362	\$ 19,690,162	\$ 21,072,459
Licenses and permits	810,476	810,476	911,722
Charges for services	1,590,506	1,590,506	1,650,614
Fines and forfeits	723,303	723,303	640,015
Intergovernmental	3,179,250	3,179,250	3,196,582
Investment income	221,965	221,965	32,636
Miscellaneous	723,230	176,844	128,047
<b>Total revenues</b>	<b>24,848,092</b>	<b>26,392,506</b>	<b>27,632,075</b>
<b>EXPENDITURES</b>			
Current			
General government	3,483,160	5,690,738	5,280,476
Community development	321,128	327,182	382,746
Public safety	17,208,539	17,668,025	17,232,650
Public works	3,570,001	3,623,958	3,583,057
<b>Total expenditures</b>	<b>24,582,828</b>	<b>27,309,903</b>	<b>26,478,929</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>265,264</b>	<b>(917,397)</b>	<b>1,153,146</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	650,203	2,892,459	2,719,072
Transfers (out)	(915,467)	(2,629,754)	(2,752,366)
<b>Total other financing sources (uses)</b>	<b>(265,264)</b>	<b>262,705</b>	<b>(33,294)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ (654,692)</b>	<b>1,119,852</b>
<b>FUND BALANCE, MAY 1</b>			<b>8,671,426</b>
Prior period adjustmet			<u>225,541</u>
<b>FUND BALANCE, MAY 1, RESTATED</b>			<u>8,896,967</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 10,016,819</u></u>

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 1,273,786	\$ 1,273,786	\$ 1,117,988
Reimbursements	10,550	10,550	34,486
Investment income	20,519	20,519	7,314
Miscellaneous	1,414	1,414	-
Total revenues	<u>1,306,269</u>	<u>1,306,269</u>	<u>1,159,788</u>
<b>EXPENDITURES</b>			
Current			
Highways and streets			
Personal services	175,804	179,475	132,298
Commodities	210,000	210,000	147,471
Contractual services	353,374	353,374	333,008
Capital outlay	1,912,435	1,912,435	869,055
Total expenditures	<u>2,651,613</u>	<u>2,655,284</u>	<u>1,481,832</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,345,344)</u>	<u>\$ (1,349,015)</u>	(322,044)
FUND BALANCE, MAY 1			<u>2,766,180</u>
FUND BALANCE, APRIL 30			<u>\$ 2,444,136</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2012

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 (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	\$ 18,236,647	\$ 19,927,134	91.52%	\$ 1,690,487	\$ 6,146,757	27.50%
2007	20,213,615	21,407,596	94.42%	1,193,981	6,342,374	18.83%
2008	18,208,045	22,959,941	79.30%	4,751,896	6,848,668	69.38%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 640,492	\$ 640,492	100%
2008	657,704	657,704	100%
2009	680,073	680,073	100%
2010	675,266	716,808	94%
2011	685,332	799,174	86%
2012	1,029,138	869,497	118%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2012

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 (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	\$ 185,317	\$ 463,575	39.98%	\$ 278,258	\$ 119,701	232.46%
2007	229,258	336,881	68.05%	107,623	124,768	86.26%
2008	257,856	399,981	64.47%	142,125	130,427	108.97%
2009	282,797	279,596	101.14%	(3,201)	104,758	(3.06%)
2010	297,460	403,212	73.77%	105,752	-	0.00%
2011	307,499	485,027	63.40%	177,528	-	0.00%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 17,788	\$ 17,788	100%
2008	16,282	16,282	100%
2009	25,099	25,099	100%
2010	17,516	17,516	100%
2011	-	-	0%
2012	-	-	0%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE PENSION FUND

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(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)
2006	\$ 14,584,155	\$ 23,843,938	61.17%	\$ 9,259,783	\$ 3,176,997	291.46%
2007	16,440,752	26,313,270	62.48%	9,872,518	3,381,577	291.95%
2008	17,040,003	27,774,760	61.35%	10,734,757	3,566,235	301.01%
2009	15,191,183	29,645,059	51.24%	14,453,876	3,782,571	382.12%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 1,188,133	\$ 1,150,862	103.24%
2008	892,877	892,877	100.00%
2009	987,365	959,382	102.92%
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%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FIREFIGHTERS' PENSION FUND

April 30, 2012

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 (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	\$ 7,295,525	\$ 10,085,306	72.34%	\$ 2,789,781	\$ 1,808,081	154.30%
2007	8,230,081	11,633,405	70.75%	3,403,324	2,105,239	161.66%
2008	8,668,883	12,933,184	67.03%	4,264,301	2,254,020	189.19%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 371,075	\$ 371,075	100.00%
2008	374,835	374,835	100.00%
2009	471,152	471,152	100.00%
2010	574,010	574,010	100.00%
2011	698,763	698,763	100.00%
2012	805,643	805,643	100.00%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2012

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 (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 4,856,900	0.00%	\$ 4,856,900	\$ 12,188,800	39.85%
2009	-	5,180,100	0.00%	5,180,100	12,676,400	40.86%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 156,600	\$ 444,900	35.20%
2009	184,100	468,900	39.26%
2010	141,170	402,763	35.05%
2011	143,279	402,763	35.57%
2012	147,577	211,303	69.84%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

---

**BUDGETS**

All departments of the Village submit budget requests to the Village Manager in January 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 1<sup>st</sup> to April 30<sup>th</sup>.

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 April 30 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, 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.

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.

### Debt Service Fund

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.

### Capital Projects Fund

Municipal Building Fund: This fund is used to accumulate resources assigned for the municipal building construction project. Initial funding is provided by a transfer from the General Fund.

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property tax	\$ 8,844,268	\$ 8,844,268	\$ 10,656,193
Replacement taxes	79,997	79,997	81,079
Municipal sales tax	3,668,930	4,997,670	4,803,807
Home rule sales tax	1,452,958	2,215,018	2,078,288
Use tax	479,582	479,582	550,219
Utility tax - simplified telephone	1,287,678	1,287,678	1,120,588
Utility tax - natural gas	206,072	206,072	182,461
Utility tax - electric	458,234	458,234	427,941
Foreign fire insurance tax	-	-	50,034
Prepared food tax	1,085,757	1,085,757	1,086,568
Hotel/motel tax	35,886	35,886	35,281
<b>Total taxes</b>	<b>17,599,362</b>	<b>19,690,162</b>	<b>21,072,459</b>
<b>LICENSES AND PERMITS</b>			
<b>Licenses</b>			
Business	89,124	89,124	78,290
Liquor	50,800	50,800	45,652
Contractor	33,528	33,528	32,810
Vendor/solicitor	883	883	220
Animal	1,422	1,422	1,240
Penalties on licenses	10,160	10,160	11,194
Multi-family	88,621	88,621	91,800
Single family	43,561	43,561	70,300
Cable franchise fee	294,784	294,784	356,995
Solid waste franchise fee	117,404	117,404	113,691
<b>Permits</b>			
Building - DuPage	50,000	50,000	60,720
Building - Cook	26,125	26,125	43,665
Sign	4,064	4,064	5,145
<b>Total licenses and permits</b>	<b>810,476</b>	<b>810,476</b>	<b>911,722</b>
<b>CHARGES FOR SERVICES</b>			
Printed materials	7,000	7,000	5,770
Ambulance fees	622,000	622,000	637,142
Plan review - community development	20,000	20,000	14,116
Building reinspection fees	2,500	2,500	1,190
Vehicle impoundment fees	660,000	660,000	679,500
CPR fees	2,200	2,200	2,555
ADT administrative fee	-	-	5,170
Public safety application fee	-	-	7,220
Inspection fee - miscellaneous	-	-	905
Rental income	276,806	276,806	279,631
Impact fees	-	-	17,415
<b>Total charges for services</b>	<b>1,590,506</b>	<b>1,590,506</b>	<b>1,650,614</b>

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>FINES AND FORFEITS</b>			
Traffic fines - DuPage	\$ 46,000	\$ 46,000	\$ 34,763
Traffic fines - Cook	190,000	190,000	114,847
Ordinance violations	304,800	304,800	260,810
Warning tickets	953	953	550
Police false alarm fines	5,000	5,000	4,775
DUI fines	2,850	2,850	39,543
Traffic court supervision	3,700	3,700	49,343
Fire false alarm fines	7,500	7,500	4,050
Red light camera fines	161,000	161,000	129,404
Kennel fees	1,500	1,500	1,930
<b>Total fines and forfeits</b>	<b>723,303</b>	<b>723,303</b>	<b>640,015</b>
<b>INTERGOVERNMENTAL</b>			
State income tax	3,114,205	3,114,205	3,096,265
Reimbursement - ILEOT Boards	9,000	9,000	11,262
Reimbursement - OJP bullet proof vest grant	1,500	1,500	6,375
Reimbursement - DuPage County	15,240	15,240	14,959
Reimbursement - ILEAS	813	813	3,437
Reimbursement - police services	600	600	18,952
Reimbursement - fire services	10,000	10,000	36,128
Printing outreach	4,572	4,572	-
Illinois EMA grant revenue	2,032	2,032	9,204
Drug forfeiture revenue	3,000	3,000	-
Federal SAFER grant	18,288	18,288	-
<b>Total intergovernmental</b>	<b>3,179,250</b>	<b>3,179,250</b>	<b>3,196,582</b>
<b>INVESTMENT INCOME</b>	<b>221,965</b>	<b>221,965</b>	<b>32,636</b>
<b>MISCELLANEOUS</b>			
Reimbursement - property damage	5,029	5,029	-
Reimbursement - miscellaneous	50,800	50,800	15,598
Hazardous materials	5,000	5,000	3,428
Corporate partnership program	-	-	4,700
Fire corp	418	418	-
Proceeds on sale of assets	20,320	20,320	-
IRMA Reserve Fund	546,386	-	-
Miscellaneous income	95,277	95,277	104,321
<b>Total miscellaneous</b>	<b>723,230</b>	<b>176,844</b>	<b>128,047</b>
<b>TOTAL REVENUES</b>	<b>\$ 24,848,092</b>	<b>\$ 26,392,506</b>	<b>\$ 27,632,075</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
President and Board of Trustees			
Personal services	\$ 21,961	\$ 21,961	\$ 22,488
Commodities	52,562	52,562	47,333
Contractual services	29,625	29,625	30,350
Total president and board of trustees	104,148	104,148	100,171
Village Clerk			
Personal services	76,698	78,479	70,023
Commodities	1,265	1,265	223
Contractual services	23,650	23,650	12,051
Total village clerk	101,613	103,394	82,297
Village Collector			
Personal services	69,824	71,500	69,876
Commodities	50	50	56
Contractual services	100	100	-
Total village collector	69,974	71,650	69,932
Environmental committee			
Commodities	1,100	1,100	698
Contractual services	4,400	4,400	4,750
Total environmental committee	5,500	5,500	5,448
Cultural inclusion and diversity committee			
Commodities	760	760	107
Contractual services	4,406	4,406	2,668
Total cultural inclusion and diversity committee	5,166	5,166	2,775
Sister City committee			
Commodities	760	760	730
Contractual services	6,500	6,500	3,571
Total sister city committee	7,260	7,260	4,301
Citizens corp council committee			
Commodities	1,300	1,300	699
Contractual services	2,200	2,200	5,270
Total citizens corp council committee	3,500	3,500	5,969

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Veterans committee			
Commodities	\$ 910	\$ 910	\$ 598
Contractual services	2,450	2,450	1,024
Total veterans committee	<u>3,360</u>	<u>3,360</u>	<u>1,622</u>
Development commission			
Personal services	363	374	202
Commodities	665	665	206
Contractual services	375	375	182
Total development commission	<u>1,403</u>	<u>1,414</u>	<u>590</u>
CONECT committee			
Commodities	1,275	1,275	10
Contractual services	9,800	9,800	8,008
Total conect committee	<u>11,075</u>	<u>11,075</u>	<u>8,018</u>
Village Manager			
Personal services	265,631	352,678	400,085
Commodities	3,630	3,630	4,132
Contractual services	64,264	64,264	53,101
Total village manager	<u>333,525</u>	<u>420,572</u>	<u>457,318</u>
Human resources			
Personal services	254,656	261,187	263,504
Commodities	39,127	39,127	43,502
Contractual services	132,654	132,654	88,103
Total human resources	<u>426,437</u>	<u>432,968</u>	<u>395,109</u>
Special events			
Contractual services	13,700	13,700	9,195
Total special events	<u>13,700</u>	<u>13,700</u>	<u>9,195</u>
Information technology			
Personal services	231,967	237,934	267,285
Commodities	97,870	97,870	94,671
Contractual services	322,476	322,476	278,602
Total information technology	<u>652,313</u>	<u>658,280</u>	<u>640,558</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance department administration			
Personal services	\$ 194,727	\$ 199,423	\$ 136,716
Commodities	3,010	3,010	1,972
Contractual services	27,474	27,474	69,050
Total finance department administration	225,211	229,907	207,738
Collections			
Personal services	146,077	149,832	142,252
Commodities	11,925	11,925	8,265
Contractual services	6,445	6,445	2,731
Total collections	164,447	168,202	153,248
General accounting			
Personal services	140,727	144,511	155,813
Commodities	1,365	1,365	998
Contractual services	36,640	36,640	54,199
Total general accounting	178,732	182,516	211,010
General administrative services			
Personal services	249,036	250,566	143,546
Contractual services	926,760	3,017,560	2,781,631
Total general administrative services	1,175,796	3,268,126	2,925,177
Total general government	3,483,160	5,690,738	5,280,476
<b>PUBLIC WORKS</b>			
Administration			
Personal services	140,838	144,261	139,046
Commodities	1,925	1,925	2,989
Contractual services	7,678	7,678	4,839
Total administration	150,441	153,864	146,874
Streets			
Personal services	805,957	826,082	809,617
Commodities	111,259	111,259	106,409
Contractual services	171,831	171,831	96,344
Total streets	1,089,047	1,109,172	1,012,370

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>PUBLIC WORKS (Continued)</b>			
Forestry			
Personal services	\$ 209,665	\$ 214,285	\$ 180,344
Commodities	12,225	12,225	14,014
Contractual services	230,785	230,785	242,071
Total forestry	452,675	457,295	436,429
Building			
Personal services	249,726	254,434	257,992
Commodities	113,770	113,770	96,417
Contractual services	138,650	138,650	157,201
Total building	502,146	506,854	511,610
Fleet services administration			
Personal services	535,784	549,333	566,809
Commodities	435,370	435,370	486,631
Contractual services	72,680	72,680	81,337
Total fleet services administration	1,043,834	1,057,383	1,134,777
Department of engineering			
Personal services	312,807	320,339	317,520
Commodities	8,956	8,956	1,825
Contractual services	10,095	10,095	21,652
Total department of engineering	331,858	339,390	340,997
Total public works	3,570,001	3,623,958	3,583,057
<b>PUBLIC SAFETY</b>			
Fire department			
Administration			
Personal services	409,570	411,761	388,112
Commodities	9,998	9,998	7,773
Contractual services	15,130	15,130	11,819
Total administration	434,698	436,889	407,704
Fire suppression			
Personal services	4,309,472	4,503,675	4,648,998
Commodities	51,987	51,987	58,721
Contractual services	128,833	128,833	129,186
Total fire suppression	4,490,292	4,684,495	4,836,905

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Inspections			
Personal services	\$ 548,938	\$ 560,779	\$ 367,630
Commodities	9,610	9,610	10,560
Contractual services	25,591	25,591	53,415
Total inspections	584,139	595,980	431,605
Emergency transport			
Personal services	122,133	122,220	43,834
Commodities	4,000	4,000	4,129
Contractual services	64,226	64,226	46,439
Total emergency transport	190,359	190,446	94,402
Total fire department	5,699,488	5,907,810	5,770,616
Police department			
Administration			
Personal services	689,910	693,805	684,568
Commodities	9,306	9,306	7,715
Contractual services	18,123	18,123	11,523
Total administration	717,339	721,234	703,806
Patrol division			
Personal services	6,305,961	6,430,665	6,337,618
Commodities	60,150	60,150	51,768
Contractual services	57,114	57,114	44,122
Total patrol division	6,423,225	6,547,929	6,433,508
Investigations			
Personal services	1,629,164	1,629,164	1,654,421
Commodities	24,070	24,070	22,136
Contractual services	16,625	16,625	9,971
Total investigations	1,669,859	1,669,859	1,686,528
Community services			
Personal services	434,692	437,958	400,385
Commodities	2,900	2,900	3,682
Contractual services	33,955	33,955	29,252
Total community services	471,547	474,813	433,319

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Department)			
Staff services			
Personal services	\$ 978,607	\$ 1,063,470	\$ 1,019,224
Commodities	26,150	26,150	24,775
Contractual services	606,719	606,719	582,373
Total staff services	1,611,476	1,696,339	1,626,372
Code enforcement			
Personal services	582,936	617,372	562,374
Commodities	3,960	3,960	4,308
Contractual services	17,159	17,159	5,336
Total code enforcement	604,055	638,491	572,018
Total police department	11,497,501	11,748,665	11,455,551
Emergency services			
Commodities	3,380	3,380	644
Contractual services	8,170	8,170	5,839
Total emergency services	11,550	11,550	6,483
Total public safety	17,208,539	17,668,025	17,232,650
<b>COMMUNITY DEVELOPMENT</b>			
Economic development			
Personal services	145,989	149,536	115,846
Commodities	4,950	4,950	5,373
Contractual services	67,767	67,767	52,911
Total economic development	218,706	222,253	174,130
Inspection services			
Personal services	98,524	101,031	205,561
Commodities	950	950	112
Contractual services	2,948	2,948	2,943
Total inspection services	102,422	104,929	208,616
Total community development	321,128	327,182	382,746
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,582,828</b>	<b>\$ 27,309,903</b>	<b>\$ 26,478,929</b>

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 698,474	\$ 278,474	\$ 384,097
Investment income	102	102	45
Total revenues	<u>698,576</u>	<u>278,576</u>	<u>384,142</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	-	7,000,000	7,000,000
Interest	278,474	278,474	278,474
Fiscal charge	1,000	125,000	122,920
Total expenditures	<u>279,474</u>	<u>7,403,474</u>	<u>7,401,394</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>419,102</u>	<u>(7,124,898)</u>	<u>(7,017,252)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued at par	-	7,030,000	7,030,000
Premium on bonds issued	-	32,475	102,775
Total other financing sources (uses)	<u>-</u>	<u>7,062,475</u>	<u>7,132,775</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 419,102</u>	<u>\$ (62,423)</u>	115,523
<b>FUND BALANCE, MAY 1</b>			<u>78,261</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 193,784</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL BUILDING FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 150,000
Investment income	25,400	25,400	10,424
Total revenues	<u>25,400</u>	<u>25,400</u>	<u>160,424</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>13,843,172</u>	<u>13,843,172</u>	<u>11,573,456</u>
Total expenditures	<u>13,843,172</u>	<u>13,843,172</u>	<u>11,573,456</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(13,817,772)</u>	<u>(13,817,772)</u>	<u>(11,413,032)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>1,109,213</u>	<u>1,109,213</u>
Total other financing sources (uses)	<u>-</u>	<u>1,109,213</u>	<u>1,109,213</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (13,817,772)</u></u>	<u><u>\$ (12,708,559)</u></u>	<u>(10,303,819)</u>
FUND BALANCE, MAY 1			<u>10,750,043</u>
FUND BALANCE, APRIL 30			<u><u>\$ 446,224</u></u>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Fund

**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.

**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.

**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."

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### Debt Service Funds

General Obligation Bond Series of 2001 Fund: This fund is used to account for the accumulation of monies restricted for the payment of \$3,600,000 General Obligation Bond Series of 2001 until maturity in 2011. These bonds were issued to fund the replacement of an elevated water storage tank and the construction and installation of public street improvements. Financing is being provided by an annual property tax levy.

General Obligation Refunding Bond Series of 2002 Fund: This fund is used to account for the accumulation of monies restricted for the payment of \$5,210,000 General Obligation Refunding Bond Series of 2002 until maturity in 2011. These bonds were issued to refund the General Obligation Bond Series of 1996. Financing is provided by an annual property tax levy, real estate transfer tax and village reserves.

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.

### 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

April 30, 2012

	Special Revenues				
	Road and Bridge	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Special Service Area #3
ASSETS					
Cash and investments	\$ 1,010,937	\$ 359,879	\$ 513,090	\$ 53,269	\$ 64,454
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	-	-	-	11,075
Accounts	-	-	-	89,012	-
Accrued interest	-	-	111	-	-
Due from other governments	-	-	-	20,592	-
<b>TOTAL ASSETS</b>	<b>\$ 1,010,937</b>	<b>\$ 359,879</b>	<b>\$ 513,201</b>	<b>\$ 162,873</b>	<b>\$ 75,529</b>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 64,283	\$ -	\$ 19,299	\$ -	\$ -
Accrued payroll	-	-	2,577	-	-
Other payables	-	-	14,755	-	-
Due to other funds	-	-	-	104,351	-
Deferred revenue	130,000	-	-	-	11,075
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>194,283</b>	<b>-</b>	<b>36,631</b>	<b>104,351</b>	<b>11,075</b>
FUND BALANCES					
Restricted					
Highways and streets	816,654	-	-	-	-
Debt service	-	-	-	-	-
Community development	-	359,879	476,570	58,522	-
Special service areas	-	-	-	-	64,454
Unrestricted					
Assigned					
Capital improvements	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>816,654</b>	<b>359,879</b>	<b>476,570</b>	<b>58,522</b>	<b>64,454</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,010,937</b>	<b>\$ 359,879</b>	<b>\$ 513,201</b>	<b>\$ 162,873</b>	<b>\$ 75,529</b>

Special Revenues		Debt Service				Capital Projects		Total
Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2001	General Obligation Bond Series of 2002	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	Special Service Area #6	General Capital Projects	Nonmajor Governmental Funds
\$ 61,518	\$ 337,398	\$ -	\$ -	\$ 214,137	\$ 130,499	\$ 126,717	\$ 506,281	\$ 3,378,179
17,005	313,820	-	-	502,813	69,060	34,565	-	948,338
-	-	-	-	-	-	-	17,818	106,830
-	-	-	-	-	-	-	-	111
-	-	-	-	-	-	-	28,276	48,868
<u>\$ 78,523</u>	<u>\$ 651,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 716,950</u>	<u>\$ 199,559</u>	<u>\$ 161,282</u>	<u>\$ 552,375</u>	<u>\$ 4,482,326</u>
\$ 3,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,109	\$ 255,666
-	-	-	-	-	-	-	-	2,577
-	-	-	-	-	-	-	-	14,755
-	-	-	-	-	-	-	-	104,351
17,005	313,820	-	-	502,813	69,060	34,565	7,500	1,085,838
-	-	-	-	304,271	-	425,000	-	729,271
<u>20,980</u>	<u>313,820</u>	<u>-</u>	<u>-</u>	<u>807,084</u>	<u>69,060</u>	<u>459,565</u>	<u>175,609</u>	<u>2,192,458</u>
-	-	-	-	-	-	-	-	816,654
-	-	-	-	-	130,499	-	-	130,499
-	-	-	-	-	-	-	-	894,971
57,543	337,398	-	-	-	-	-	-	459,395
-	-	-	-	-	-	-	376,766	376,766
-	-	-	-	(90,134)	-	(298,283)	-	(388,417)
<u>57,543</u>	<u>337,398</u>	<u>-</u>	<u>-</u>	<u>(90,134)</u>	<u>130,499</u>	<u>(298,283)</u>	<u>376,766</u>	<u>2,289,868</u>
<u>\$ 78,523</u>	<u>\$ 651,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 716,950</u>	<u>\$ 199,559</u>	<u>\$ 161,282</u>	<u>\$ 552,375</u>	<u>\$ 4,482,326</u>

(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 Year Ended April 30, 2012

	Special Revenues				
	Road and Bridge	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Special Service Area #3
<b>REVENUES</b>					
Taxes					
Property taxes	\$ 133,464	\$ 855,169	\$ 967,250	\$ 246,760	\$ 365
Personal property replacement taxes	2,332	-	-	-	-
Real estate transfer tax	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	2,374	10,524	6,054	469	115
Miscellaneous	-	-	-	-	-
Total revenues	138,170	865,693	973,304	247,229	480
<b>EXPENDITURES</b>					
Current					
Community development	-	4,300,479	347,759	412,613	15,379
Highways and streets	46,534	-	-	-	-
Capital outlay	15,018	541,858	-	346	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal charges	-	-	-	-	-
Total expenditures	61,552	4,842,337	347,759	412,959	15,379
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	76,618	(3,976,644)	625,545	(165,730)	(14,899)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	(2,800,000)	-	-
Total other financing sources (uses)	-	-	(2,800,000)	-	-
NET CHANGE IN FUND BALANCES	76,618	(3,976,644)	(2,174,455)	(165,730)	(14,899)
FUND BALANCES (DEFICIT), MAY 1	740,036	4,336,523	2,651,025	224,252	79,353
FUND BALANCES (DEFICIT), APRIL 30	\$ 816,654	\$ 359,879	\$ 476,570	\$ 58,522	\$ 64,454

Special Revenues		Debt Service				Capital Projects		Total
Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2001	General Obligation Bond Series of 2002	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	Special Service Area #6	General Capital Projects	Nonmajor Governmental Funds
\$ 30,908	\$ 174,898	\$ 382,473	\$ 150,133	\$ 432,676	\$ 270,418	\$ 123,472	\$ -	\$ 3,767,986
-	-	-	-	-	-	-	-	2,332
-	-	-	248,277	-	-	-	-	248,277
-	-	-	-	180,289	104,407	-	220,298	504,994
92	524	205	132	184	276	51	253	21,253
-	-	-	-	-	-	-	700	700
31,000	175,422	382,678	398,542	613,149	375,101	123,523	221,251	4,545,542
23,900	83,464	-	-	-	-	-	-	5,183,594
-	-	-	-	-	-	-	-	46,534
-	-	-	-	-	-	-	1,402,935	1,960,157
-	-	435,000	660,000	-	-	-	-	1,095,000
-	-	18,053	23,100	515,110	298,307	-	-	854,570
-	-	300	-	678	678	-	-	1,656
23,900	83,464	453,353	683,100	515,788	298,985	-	1,402,935	9,141,511
7,100	91,958	(70,675)	(284,558)	97,361	76,116	123,523	(1,181,684)	(4,595,969)
-	-	-	605,074	-	-	-	1,232,273	1,837,347
-	-	(81,239)	-	-	-	-	-	(2,881,239)
-	-	(81,239)	605,074	-	-	-	1,232,273	(1,043,892)
7,100	91,958	(151,914)	320,516	97,361	76,116	123,523	50,589	(5,639,861)
50,443	245,440	151,914	(320,516)	(187,495)	54,383	(421,806)	326,177	7,929,729
\$ 57,543	\$ 337,398	\$ -	\$ -	\$ (90,134)	\$ 130,499	\$ (298,283)	\$ 376,766	\$ 2,289,868

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 115,542	\$ 115,542	\$ 133,464
Personal property replacement taxes	2,042	2,042	2,332
Investment income	14,715	14,715	2,374
Total revenues	<u>132,299</u>	<u>132,299</u>	<u>138,170</u>
<b>EXPENDITURES</b>			
Current			
Highways and streets			
Contractual services	77,600	77,600	46,534
Capital outlay	183,000	183,000	15,018
Total expenditures	<u>260,600</u>	<u>260,600</u>	<u>61,552</u>
NET CHANGE IN FUND BALANCE	<u>\$ (128,301)</u>	<u>\$ (128,301)</u>	76,618
FUND BALANCE, MAY 1			<u>740,036</u>
FUND BALANCE, APRIL 30			<u>\$ 816,654</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #2 FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 650,000	\$ 650,000	\$ 855,169
Investment income	3,454	3,454	10,524
Total revenues	<u>653,454</u>	<u>653,454</u>	<u>865,693</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Personal services	64,590	64,590	224,078
Contractual services	300,000	4,167,544	4,076,401
Capital outlay	2,711,410	2,711,410	541,858
Total expenditures	<u>3,076,000</u>	<u>6,943,544</u>	<u>4,842,337</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (2,422,546)</u></u>	<u><u>\$ (6,290,090)</u></u>	<u>(3,976,644)</u>
<b>FUND BALANCE, MAY 1</b>			<u>4,336,523</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 359,879</u></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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 933,879	\$ 933,879	\$ 967,250
Investment income	9,260	9,260	6,054
Total revenues	<u>943,139</u>	<u>943,139</u>	<u>973,304</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Personal services	50,000	50,000	34,734
Contractual services	400,000	400,000	313,025
Capital outlay	2,500,000	5,300,000	-
Total expenditures	<u>2,950,000</u>	<u>5,750,000</u>	<u>347,759</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,006,861)</u>	<u>(4,806,861)</u>	<u>625,545</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	-	(2,800,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,800,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (2,006,861)</u></u>	<u><u>\$ (4,806,861)</u></u>	<u>(2,174,455)</u>
FUND BALANCE, MAY 1			<u>2,651,025</u>
FUND BALANCE, APRIL 30			<u><u>\$ 476,570</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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 355,600	\$ 355,600	\$ 246,760
Investment income	102	102	469
Total revenues	<u>355,702</u>	<u>355,702</u>	<u>247,229</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	300,000	300,000	412,613
Capital outlay	<u>450,000</u>	<u>450,000</u>	<u>346</u>
Total expenditures	<u>750,000</u>	<u>750,000</u>	<u>412,959</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (394,298)</u></u>	<u><u>\$ (394,298)</u></u>	<u>(165,730)</u>
<b>FUND BALANCE, MAY 1</b>			<u>224,252</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 58,522</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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 17,725	\$ 17,725	\$ 365
Investment income	61	61	115
Total revenues	<u>17,786</u>	<u>17,786</u>	<u>480</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services			
Equipment rentals	<u>23,175</u>	<u>23,175</u>	<u>15,379</u>
Total expenditures	<u>23,175</u>	<u>23,175</u>	<u>15,379</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,389)</u>	<u>\$ (5,389)</u>	(14,899)
FUND BALANCE, MAY 1			<u>79,353</u>
FUND BALANCE, APRIL 30			<u>\$ 64,454</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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 22,579	\$ 22,579	\$ 30,908
Investment income	55	55	92
Total revenues	<u>22,634</u>	<u>22,634</u>	<u>31,000</u>
<b>EXPENDITURES</b>			
Community development Contractual services	<u>30,600</u>	<u>30,600</u>	<u>23,900</u>
Total expenditures	<u>30,600</u>	<u>30,600</u>	<u>23,900</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,966)</u>	<u>\$ (7,966)</u>	7,100
FUND BALANCE, MAY 1			<u>50,443</u>
FUND BALANCE, APRIL 30			<u><u>\$ 57,543</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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 173,980	\$ 173,980	\$ 174,898
Investment income	406	406	524
Total revenues	<u>174,386</u>	<u>174,386</u>	<u>175,422</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	105,014	105,014	83,464
Capital outlay	68,966	68,966	-
Total expenditures	<u>173,980</u>	<u>173,980</u>	<u>83,464</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 406</u>	<u>\$ 406</u>	91,958
FUND BALANCE, MAY 1			<u>245,440</u>
FUND BALANCE, APRIL 30			<u>\$ 337,398</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2001 FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 460,303	\$ 460,303	\$ 382,473
Investment income	1,016	1,016	205
Total revenues	<u>461,319</u>	<u>461,319</u>	<u>382,678</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	435,000	435,000	435,000
Interest	18,054	18,054	18,053
Fiscal charge	600	600	300
Total expenditures	<u>453,654</u>	<u>453,654</u>	<u>453,353</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>7,665</u>	<u>7,665</u>	<u>(70,675)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(81,240)	(81,239)
Total other financing sources (uses)	<u>-</u>	<u>(81,240)</u>	<u>(81,239)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 7,665</u>	<u>\$ (73,575)</u>	<u>(151,914)</u>
<b>FUND BALANCE, MAY 1</b>			<u>151,914</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2002 FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 173,487	\$ 173,487	\$ 150,133
Real estate transfer tax	195,072	195,072	248,277
Investment income	203	203	132
<b>Total revenues</b>	<b>368,762</b>	<b>368,762</b>	<b>398,542</b>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	660,000	660,000	660,000
Interest	23,100	23,100	23,100
Fiscal charge	900	900	-
<b>Total expenditures</b>	<b>684,000</b>	<b>684,000</b>	<b>683,100</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(315,238)</b>	<b>(315,238)</b>	<b>(284,558)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	605,074
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>605,074</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (315,238)</b>	<b>\$ (315,238)</b>	<b>320,516</b>
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<b>(320,516)</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 334,827	\$ 334,827	\$ 432,676
Intergovernmental	180,288	180,288	180,289
Investment income	600	600	184
	<hr/>		
Total revenues	515,715	515,715	613,149
	<hr/>		
<b>EXPENDITURES</b>			
Debt service			
Interest	515,110	515,110	515,110
Fiscal charge	600	700	678
	<hr/>		
Total expenditures	515,710	515,810	515,788
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 5	\$ (95)	97,361
	<hr/>		
FUND BALANCE (DEFICIT), MAY 1			(187,495)
	<hr/>		
FUND BALANCE (DEFICIT), APRIL 30			\$ (90,134)
	<hr/>		

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 193,899	\$ 193,899	\$ 270,418
Intergovernmental	104,407	104,407	104,407
Investment income	600	600	276
	<hr/>		
Total revenues	298,906	298,906	375,101
	<hr/>		
<b>EXPENDITURES</b>			
Debt service			
Interest	298,307	298,307	298,307
Fiscal charge	600	700	678
	<hr/>		
Total expenditures	298,907	299,007	298,985
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1)</b>	<b>\$ (101)</b>	<b>76,116</b>
	<hr/>		
<b>FUND BALANCE, MAY 1</b>			<b>54,383</b>
	<hr/>		
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 130,499</b>
	<hr/>		

(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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 79,752	\$ 79,752	\$ 123,472
Investment income	40	40	51
Total revenues	<u>79,792</u>	<u>79,792</u>	<u>123,523</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services	36,288	36,288	-
Total expenditures	<u>36,288</u>	<u>36,288</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>43,504</u>	<u>43,504</u>	<u>123,523</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(43,464)	(43,464)	-
Total other financing sources (uses)	<u>(43,464)</u>	<u>(43,464)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 40</u>	<u>\$ 40</u>	123,523
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>(421,806)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<u><u>\$ (298,283)</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 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental	\$ 43,434	\$ 43,434	\$ 220,298
Investment income	18,036	18,036	253
Miscellaneous	-	-	700
<b>Total revenues</b>	<b>61,470</b>	<b>61,470</b>	<b>221,251</b>
<b>EXPENDITURES</b>			
Capital outlay			
Land	-	190,000	-
Buildings	105,000	105,000	75,895
Other improvements	324,200	324,200	288,302
Office equipment	777,635	777,635	771,544
Other equipment	375,265	375,265	267,194
<b>Total expenditures</b>	<b>1,582,100</b>	<b>1,772,100</b>	<b>1,402,935</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,520,630)</b>	<b>(1,710,630)</b>	<b>(1,181,684)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,520,630	1,520,630	1,232,273
<b>Total other financing sources (uses)</b>	<b>1,520,630</b>	<b>1,520,630</b>	<b>1,232,273</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (190,000)</b>	<b>50,589</b>
<b>FUND BALANCE, MAY 1</b>			<b>326,177</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 376,766</b>

(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.

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Water sales	\$ 4,974,712	\$ 4,974,712	\$ 5,416,483
Sewer service	2,533,047	2,533,047	2,783,286
Water penalties	187,864	187,864	188,427
Water tap-on fees	46,626	46,626	106,243
Sewer tap-on fees	45,693	45,693	99,261
Meter sales	7,329	7,329	6,304
Miscellaneous	359,414	359,414	289,708
	<hr/>		
Total operating revenues	8,154,685	8,154,685	8,889,712
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Administration			
Personal services	1,152,933	1,180,180	1,096,719
Commodities	7,055	7,055	6,749
Contractual services	494,551	494,551	457,725
Operations - water			
Personal services	803,968	824,502	809,351
Commodities	121,152	121,152	107,752
Contractual services	3,266,724	3,266,724	3,148,429
Capital outlay	753,400	753,400	720,116
Operations - sewer			
Personal services	868,478	888,775	840,949
Commodities	84,013	84,013	90,237
Contractual services	870,133	870,133	703,639
Capital outlay	460,000	460,000	390,815
Debt service			
Principal	305,140	305,140	305,140
	<hr/>		
Total operating expenses excluding depreciation	9,187,547	9,255,625	8,677,621
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>			
	(1,032,862)	(1,100,940)	212,091
<b>DEPRECIATION</b>			
	805,552	805,552	877,463
<hr/>			
<b>OPERATING INCOME (LOSS)</b>	<b>(1,838,414)</b>	<b>(1,906,492)</b>	<b>(665,372)</b>

(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 ASSETS - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 28,853	\$ 28,853	\$ 8,892
Other income	13,293	13,293	3,477
Interest expense	(58,889)	(58,889)	(55,759)
Gain (loss) on disposal of capital assets	-	-	(38,695)
Total nonoperating revenues (expenses)	<u>(16,743)</u>	<u>(16,743)</u>	<u>(82,085)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(1,855,157)</u>	<u>(1,923,235)</u>	<u>(747,457)</u>
<b>TRANSFERS</b>			
Transfers (out)	<u>(194,410)</u>	<u>(194,410)</u>	<u>(194,194)</u>
Total transfers	<u>(194,410)</u>	<u>(194,410)</u>	<u>(194,194)</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>(2,049,567)</u>	<u>(2,117,645)</u>	<u>(941,651)</u>
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized	-	-	900,586
Principal paid	-	-	305,140
Total adjustments to GAAP basis	<u>-</u>	<u>-</u>	<u>1,205,726</u>
<b>CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>102,105</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (2,049,567)</u>	<u>\$ (2,117,645)</u>	366,180
<b>NET ASSETS, MAY 1</b>			<u>27,366,302</u>
<b>NET ASSETS, APRIL 30</b>			<u>\$ 27,732,482</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET ASSETS

April 30, 2012

	Municipal Railroad Parking Lot	Hanover Square	Total
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 130,225	\$ 308,966	\$ 439,191
Receivables			
Accounts	-	21,806	21,806
Other	4,470	-	4,470
Prepaid expenses	30,539	-	30,539
<b>Total current assets</b>	<b>165,234</b>	<b>330,772</b>	<b>496,006</b>
<b>NONCURRENT ASSETS</b>			
Capital assets			
Nondepreciable	1,317,517	1,895,380	3,212,897
Depreciable, net of accumulated depreciation	1,046,906	897,082	1,943,988
<b>Total noncurrent assets</b>	<b>2,364,423</b>	<b>2,792,462</b>	<b>5,156,885</b>
<b>Total assets</b>	<b>2,529,657</b>	<b>3,123,234</b>	<b>5,652,891</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	17,120	301,310	318,430
Accrued payroll	3,004	-	3,004
Unearned revenue	61,566	-	61,566
Other payables	1,000	15,818	16,818
<b>Total current liabilities</b>	<b>82,690</b>	<b>317,128</b>	<b>399,818</b>
<b>LONG-TERM LIABILITIES</b>			
None	-	-	-
<b>Total long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>82,690</b>	<b>317,128</b>	<b>399,818</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,364,423	2,792,462	5,156,885
Restricted for community development	-	13,644	13,644
Unrestricted	82,544	-	82,544
<b>TOTAL NET ASSETS</b>	<b>\$ 2,446,967</b>	<b>\$ 2,806,106</b>	<b>\$ 5,253,073</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended April 30, 2012

	Municipal Railroad Parking Lot	Hanover Square	Total
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 328,729	\$ -	\$ 328,729
License penalties	20	-	20
Rental income	-	226,746	226,746
Other	-	10,170	10,170
Total operating revenues	328,749	236,916	565,665
<b>OPERATING EXPENSES</b>			
Operations			
Personal services	153,288	-	153,288
Commodities	3,935	229	4,164
Contractual services	108,135	223,042	331,177
Depreciation	43,656	7,539	51,195
Total operating expenses	309,014	230,810	539,824
<b>OPERATING INCOME</b>	19,735	6,106	25,841
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	104	-	104
Total nonoperating revenues (expenses)	104	-	104
<b>NET INCOME BEFORE TRANSFERS</b>	19,839	6,106	25,945
<b>TRANSFERS</b>			
Transfer in	-	2,800,000	2,800,000
Total transfers	-	2,800,000	2,800,000
<b>CHANGE IN NET ASSETS</b>	19,839	2,806,106	2,825,945
<b>NET ASSETS, MAY 1</b>	2,427,128	-	2,427,128
<b>NET ASSETS, APRIL 30</b>	\$ 2,446,967	\$ 2,806,106	\$ 5,253,073

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2012

	Municipal Railroad Parking Lot	Hanover Square	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 327,344	\$ 230,928	\$ 558,272
Payments to suppliers	(98,157)	(346,518)	(444,675)
Payments to employees	(152,847)	-	(152,847)
Net cash from operating activities	76,340	(115,590)	(39,250)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	2,800,000	2,800,000
Net cash from noncapital financing activities	-	2,800,000	2,800,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	-	(2,375,444)	(2,375,444)
Net cash from capital and related financing activities	-	(2,375,444)	(2,375,444)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	105	-	105
Net cash from investing activities	105	-	105
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	76,445	308,966	385,411
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	53,780	-	53,780
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 130,225	\$ 308,966	\$ 439,191

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2012

	Municipal Railroad Parking Lot	Hanover Square	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 19,735	\$ 6,106	\$ 25,841
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization	43,656	7,539	51,195
Changes in assets and liabilities			
Receivables	22,479	(21,806)	673
Prepaid expenses	(19,765)	-	(19,765)
Accounts payable	11,199	(123,247)	(112,048)
Accrued payroll	441	-	441
Deferred revenue	(1,405)	-	(1,405)
Other payables	-	15,818	15,818
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 76,340</b>	<b>\$ (115,590)</b>	<b>\$ (39,250)</b>
<b>CASH AND INVESTMENTS</b>			
Cash and cash equivalents	\$ 130,225	\$ 308,966	\$ 439,191
Investments	-	-	-
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 130,225</b>	<b>\$ 308,966</b>	<b>\$ 439,191</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 287,082	\$ 287,082	\$ 328,729
License penalties	-	-	20
Total operating revenues	<u>287,082</u>	<u>287,082</u>	<u>328,749</u>
<b>OPERATING EXPENSES</b>			
Operations			
Personal services	190,285	194,461	153,288
Commodities	14,394	14,394	3,935
Contractual services	90,795	90,795	108,135
Capital outlay	140,000	140,000	-
Depreciation	32,304	32,304	43,656
Total operating expenses	<u>467,778</u>	<u>471,954</u>	<u>309,014</u>
OPERATING INCOME (LOSS)	<u>(180,696)</u>	<u>(184,872)</u>	<u>19,735</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,016	1,016	104
Total nonoperating revenues (expenses)	<u>1,016</u>	<u>1,016</u>	<u>104</u>
CHANGE IN NET ASSETS	<u>\$ (179,680)</u>	<u>\$ (183,856)</u>	19,839
NET ASSETS, MAY 1			<u>2,427,128</u>
NET ASSETS, APRIL 30			<u>\$ 2,446,967</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

HANOVER SQUARE FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Rental income	\$ -	\$ 226,750	\$ 226,746
Other	-	9,670	10,170
Total operating revenues	-	236,420	236,916
<b>OPERATING EXPENSES</b>			
Operations			
Commodities	-	230	229
Contractual services	-	226,375	223,042
Depreciation	-	7,540	7,539
Total operating expenses	-	234,145	230,810
<b>OPERATING INCOME</b>	-	2,275	6,106
<b>TRANSFERS</b>			
Transfers in	-	2,800,000	2,800,000
Total transfers	-	2,800,000	2,800,000
<b>CHANGE IN NET ASSETS</b>	<u>\$ -</u>	<u>\$ 2,802,275</u>	2,806,106
<b>NET ASSETS, MAY 1</b>			-
<b>NET ASSETS, APRIL 30</b>			<u>\$ 2,806,106</u>

(See independent auditor's report.)

## INTERNAL SERVICE FUNDS

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.

Employee Compensated Absences Fund: The Compensated Absences Fund is used to account for the accumulation of resources to fund the compensated absences liability for the General Fund. Financing is provided by transfers from the General Fund. This fund is reported as a governmental activity, but was closed during fiscal year 2012.

Employee Benefits Fund: The Employee Benefits Fund is used to account for the accumulation of resources to fund the other postemployment benefits liability for the General Fund. Financing is provided by the IPBC Terminal Reserve balance. This fund is reported as a governmental activity, but was closed during fiscal 2012.

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

April 30, 2012

	Central Equipment	Employee Compensated Absences	Employee Benefits	Totals
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 4,092,883	\$ -	\$ -	\$ 4,092,883
Receivables				
Accrued interest	29,227	-	-	29,227
Total current assets	4,122,110	-	-	4,122,110
<b>CAPITAL ASSETS</b>				
Depreciable, net of accumulated depreciation	2,901,084	-	-	2,901,084
Net capital assets	2,901,084	-	-	2,901,084
Total assets	7,023,194	-	-	7,023,194
<b>CURRENT LIABILITIES</b>				
Accounts payable	6,998	-	-	6,998
Total current liabilities	6,998	-	-	6,998
<b>LONG-TERM LIABILITIES</b>				
None	-	-	-	-
Total long-term liabilities	-	-	-	-
Total liabilities	6,998	-	-	6,998
<b>NET ASSETS</b>				
Invested in capital assets	2,901,084	-	-	2,901,084
Unrestricted	4,115,112	-	-	4,115,112
TOTAL NET ASSETS	\$ 7,016,196	\$ -	\$ -	\$ 7,016,196

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS

For the Year Ended April 30, 2012

	Central Equipment	Employee Compensated Absences	Employee Benefits	Totals
<b>OPERATING REVENUES</b>				
Charges for services	\$ 284,120	\$ -	\$ -	\$ 284,120
Total operating revenues	284,120	-	-	284,120
<b>OPERATING EXPENSES</b>				
Operations	22,952	-	-	22,952
Depreciation	437,421	-	-	437,421
Total operating expenses	460,373	-	-	460,373
OPERATING INCOME (LOSS)	(176,253)	-	-	(176,253)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	28,019	-	-	28,019
Gain on disposal of capital assets	23,513	-	-	23,513
Total nonoperating revenues (expenses)	51,532	-	-	51,532
NET INCOME (LOSS) BEFORE TRANSFERS	(124,721)	-	-	(124,721)
<b>TRANSFERS</b>				
Transfers in	-	1,109,213	1,020,793	2,130,006
Transfers (out)	-	(1,109,213)	(1,528,620)	(2,637,833)
Total transfers	-	-	(507,827)	(507,827)
CHANGE IN NET ASSETS	(124,721)	-	(507,827)	(632,548)
NET ASSETS, MAY 1	7,140,917	-	507,827	7,648,744
NET ASSETS, APRIL 30	\$ 7,016,196	\$ -	\$ -	\$ 7,016,196

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended April 30, 2012

	Central Equipment	Employee Compensated Absences	Employee Benefits	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services	\$ 284,120	\$ -	\$ -	\$ 284,120
Payments to suppliers	(22,952)	-	-	(22,952)
Net cash from operating activities	261,168	-	-	261,168
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments on interfund advances	(1,388,034)	-	-	(1,388,034)
Transfers	-	(1,109,213)	-	(1,109,213)
Net cash from noncapital financing activities	(1,388,034)	(1,109,213)	-	(2,497,247)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(585,554)	-	-	(585,554)
Proceeds from sale of capital assets	30,770	-	-	30,770
Net cash from capital and related financing activities	(554,784)	-	-	(554,784)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	1,752,858	125,433	-	1,878,291
Interest received	30,613	-	-	30,613
Net cash from investing activities	1,783,471	125,433	-	1,908,904
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	101,821	(983,780)	-	(881,959)
CASH AND CASH EQUIVALENTS, MAY 1	3,450,939	983,780	-	4,434,719
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 3,552,760	\$ -	\$ -	\$ 3,552,760

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2012

	Central Equipment	Employee Compensated Absences	Employee Benefits	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (176,253)	\$ -	\$ -	\$ (176,253)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	437,421	-	-	437,421
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 261,168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261,168</b>
<b>CASH AND INVESTMENTS</b>				
Cash and cash equivalents	\$ 3,552,760	\$ -	\$ -	\$ 3,552,760
Investments	540,123	-	-	540,123
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 4,092,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,092,883</b>
<b>NONCASH NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfer of long-term liabilities	\$ -	\$ 1,109,213	\$ 1,020,792	\$ 2,130,005

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

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

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Interfund services	\$ 238,000	\$ 238,000	\$ 284,120
Total operating revenues	238,000	238,000	284,120
<b>OPERATING EXPENSES</b>			
Capital outlay	862,000	862,000	465,801
Total operating expenses	862,000	862,000	465,801
OPERATING INCOME (LOSS)	(624,000)	(624,000)	(181,681)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	24,000	24,000	28,019
Gain on disposal of capital assets	-	-	23,513
Total nonoperating revenues (expenses)	24,000	24,000	51,532
NET INCOME (LOSS) - BUDGET BASIS	(600,000)	(600,000)	(130,149)
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized	-	-	442,849
Depreciation	-	-	(437,421)
Total adjustments to GAAP basis	-	-	5,428
CHANGE IN NET ASSETS	<u>\$ (600,000)</u>	<u>\$ (600,000)</u>	(124,721)
NET ASSETS, MAY 1			<u>7,140,917</u>
NET ASSETS, APRIL 30			<u>\$ 7,016,196</u>

(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 ASSETS

April 30, 2012

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 771,499	\$ 501,696	\$ 1,273,195
Investments			
U.S. government and agency obligations	4,845,340	5,191,951	10,037,291
Corporate bonds	50,600	45,540	96,140
Money market mutual funds	4,926,412	320,714	5,247,126
Mutual funds	10,365,183	5,773,853	16,139,036
Receivables			
Accrued interest	65,702	25,445	91,147
Prepaid items	850	-	850
Total assets	<u>21,025,586</u>	<u>11,859,199</u>	<u>32,884,785</u>
<b>LIABILITIES</b>			
Accounts payable	<u>6,157</u>	<u>7,123</u>	<u>13,280</u>
Total liabilities	<u>6,157</u>	<u>7,123</u>	<u>13,280</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 21,019,429</u>	<u>\$ 11,852,076</u>	<u>\$ 32,871,505</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended April 30, 2012

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 1,562,318	\$ 805,643	\$ 2,367,961
Employee contributions	515,151	262,035	777,186
Other contributions	354	-	354
Total contributions	2,077,823	1,067,678	3,145,501
Investment income			
Net appreciation (depreciation) in fair value of investments	(411,986)	(116,882)	(528,868)
Interest	556,524	222,356	778,880
Total investment income	144,538	105,474	250,012
Less investment expense	(55,720)	(6,560)	(62,280)
Net investment income	88,818	98,914	187,732
Total additions	2,166,641	1,166,592	3,333,233
<b>DEDUCTIONS</b>			
Pension benefits	1,595,478	610,625	2,206,103
Administrative expenses	26,889	45,365	72,254
Total deductions	1,622,367	655,990	2,278,357
NET INCREASE	544,274	510,602	1,054,876
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1	20,475,155	11,341,474	31,816,629
April 30	\$ 21,019,429	\$ 11,852,076	\$ 32,871,505

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 1,562,318	\$ 1,562,318	\$ 1,562,318
Employee contributions	433,412	433,412	515,151
Other contributions	-	-	354
<b>Total contributions</b>	<b>1,995,730</b>	<b>1,995,730</b>	<b>2,077,823</b>
Investment income			
Net appreciation (depreciation) in fair value of investments	900,990	900,990	(411,986)
Interest	500,000	500,000	556,524
<b>Total investment income</b>	<b>1,400,990</b>	<b>1,400,990</b>	<b>144,538</b>
Less investment expense	(29,576)	(58,000)	(55,720)
<b>Net investment income</b>	<b>1,371,414</b>	<b>1,342,990</b>	<b>88,818</b>
<b>Total additions</b>	<b>3,367,144</b>	<b>3,338,720</b>	<b>2,166,641</b>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,327,218	1,600,000	1,595,478
Administrative expenses	43,625	43,625	26,889
<b>Total deductions</b>	<b>1,370,843</b>	<b>1,643,625</b>	<b>1,622,367</b>
<b>NET INCREASE</b>	<b>\$ 1,996,301</b>	<b>\$ 1,695,095</b>	<b>544,274</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1			<u>20,475,155</u>
April 30			<u>\$ 21,019,429</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 805,643	\$ 805,643	\$ 805,643
Employee contributions	258,516	258,516	262,035
Total contributions	<u>1,064,159</u>	<u>1,064,159</u>	<u>1,067,678</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	501,215	501,215	(116,882)
Interest	279,400	279,400	222,356
Total investment income	780,615	780,615	105,474
Less investment expense	(13,235)	(13,235)	(6,560)
Net investment income	<u>767,380</u>	<u>767,380</u>	<u>98,914</u>
Total additions	<u>1,831,539</u>	<u>1,831,539</u>	<u>1,166,592</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	668,907	668,907	610,625
Administrative expenses	31,908	31,908	45,365
Total deductions	<u>700,815</u>	<u>700,815</u>	<u>655,990</u>
NET INCREASE	<u>\$ 1,130,724</u>	<u>\$ 1,130,724</u>	510,602
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1			<u>11,341,474</u>
April 30			<u>\$ 11,852,076</u>

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2010

April 30, 2012

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% - 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	Totals	June 1	Amount	December 1	Amount
2011	\$ 280,000	\$ 515,110	\$ 795,110	2012	\$ 257,555	2012	\$ 257,555
2012	285,000	510,210	795,210	2013	255,105	2013	255,105
2013	290,000	503,513	793,513	2014	251,756	2014	251,757
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>\$ 10,000,000</u>	<u>\$ 6,914,573</u>	<u>\$ 16,914,573</u>		<u>\$ 3,457,286</u>		<u>\$ 3,457,287</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS  
LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2010A

April 30, 2012

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% - 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	Totals	June 1	Amount	December 1	Amount
2011	\$ -	\$ 299,138	\$ 299,138	2012	\$ 149,569	2012	\$ 149,569
2012	50,000	299,138	349,138	2013	149,569	2013	149,569
2013	100,000	298,063	398,063	2014	149,031	2014	149,032
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>\$ 5,000,000</u>	<u>\$ 4,410,667</u>	<u>\$ 9,410,667</u>		<u>\$ 2,205,332</u>		<u>\$ 2,205,335</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2012

---

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% - 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	Totals	June 1	Amount	December 1	Amount
2011	\$ 450,000	\$ 189,598	\$ 639,598	2012	\$ 102,091	2012	\$ 87,507
2012	475,000	166,012	641,012	2013	83,006	2013	83,006
2013	485,000	156,512	641,512	2014	78,256	2014	78,256
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>\$ 7,030,000</u>	<u>\$ 1,427,197</u>	<u>\$ 8,457,197</u>		<u>\$ 720,890</u>		<u>\$ 706,307</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
1997 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

April 30, 2012

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	Totals	Interest Due on			
				October 9	Amount	April 9	Amount
2013	\$ 215,846	\$ 30,644	\$ 246,490	2012	\$ 16,076	2012	\$ 14,568
2014	221,965	24,525	246,490	2013	13,038	2013	11,487
2015	228,257	18,233	246,490	2014	9,914	2014	8,319
2016	234,728	11,762	246,490	2015	6,701	2015	5,061
2017	241,384	5,107	246,491	2016	3,397	2016	1,710
	<u>\$ 1,142,180</u>	<u>\$ 90,271</u>	<u>\$ 1,232,451</u>		<u>\$ 49,126</u>		<u>\$ 41,145</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
2000 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

April 30, 2012

---

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	Totals	Interest Due on			
				July 1	Amount	January 1	Amount
2013	\$ 97,760	\$ 19,777	\$ 117,537	2012	\$ 10,207	2012	\$ 9,570
2014	100,343	17,194	117,537	2013	8,924	2013	8,270
2015	102,995	14,543	117,538	2014	7,607	2014	6,936
2016	105,716	11,822	117,538	2015	6,256	2015	5,566
2017	108,509	9,029	117,538	2016	4,868	2016	4,161
2018	111,376	6,162	117,538	2017	3,444	2017	2,718
2019	114,319	3,219	117,538	2018	1,982	2018	1,237
2020	36,691	482	37,173	2019	482	2019	-
	<u>\$ 777,709</u>	<u>\$ 82,228</u>	<u>\$ 859,937</u>		<u>\$ 43,770</u>		<u>\$ 38,458</u>

(See independent auditor's report.)

## STATISTICAL SECTION (Unaudited)

This part of the Village'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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	114-121
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	122-131
<b>Debt Capacity</b> 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.	132-135
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	136-137
<b>Operating Information</b> 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.	138-141

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF HANOVER PARK, ILLINOIS

NET ASSETS BY COMPONENT

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GOVERNMENTAL ACTIVITIES</b>									
Invested in capital assets, net of related debt	\$ 43,373,185	\$ 42,683,565	\$ 43,981,453	\$ 43,282,520	\$ 44,085,337	\$ 45,392,922	\$ 44,420,879	\$ 44,389,269	\$ 45,248,341
Restricted	7,768,707	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,048,350
Unrestricted	(1,778,238)	187,403	2,669,003	8,575,116	12,336,999	14,230,151	18,596,124	13,059,714	15,514,984
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 49,363,654</b>	<b>\$ 51,929,981</b>	<b>\$ 56,256,244</b>	<b>\$ 61,262,697</b>	<b>\$ 65,569,196</b>	<b>\$ 68,193,183</b>	<b>\$ 70,095,779</b>	<b>\$ 71,113,055</b>	<b>\$ 65,811,675</b>
<b>BUSINESS-TYPE ACTIVITIES</b>									
Invested in capital assets, net of related debt	\$ 22,334,652	\$ 22,194,042	\$ 22,195,261	\$ 21,978,529	\$ 22,593,334	\$ 23,024,852	\$ 23,062,850	\$ 23,554,396	\$ 26,694,874
Restricted	-	-	-	-	-	-	-	-	13,644
Unrestricted	6,184,876	6,709,398	6,975,685	7,590,332	8,033,586	7,287,097	6,988,149	6,239,034	6,277,037
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 28,519,528</b>	<b>\$ 28,903,440</b>	<b>\$ 29,170,946</b>	<b>\$ 29,568,861</b>	<b>\$ 30,626,920</b>	<b>\$ 30,311,949</b>	<b>\$ 30,050,999</b>	<b>\$ 29,793,430</b>	<b>\$ 32,985,555</b>
<b>PRIMARY GOVERNMENT</b>									
Invested in capital assets, net of related debt	\$ 65,707,837	\$ 64,877,607	\$ 66,176,714	\$ 65,261,049	\$ 66,678,671	\$ 68,417,774	\$ 67,483,729	\$ 67,943,665	\$ 71,943,215
Restricted	7,768,707	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,061,994
Unrestricted	4,406,638	6,896,801	9,644,688	16,165,448	20,370,585	21,517,248	25,584,273	19,298,748	21,792,021
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 77,883,182</b>	<b>\$ 80,833,421</b>	<b>\$ 85,427,190</b>	<b>\$ 90,831,558</b>	<b>\$ 96,196,116</b>	<b>\$ 98,505,132</b>	<b>\$ 100,146,778</b>	<b>\$ 100,906,485</b>	<b>\$ 98,797,230</b>

Data Source

Audited Financial Statements

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET ASSETS

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 2,290,545	\$ 3,032,901	\$ 3,151,719
Public works	2,584,077	2,691,590	2,967,923
Public safety	10,414,601	11,803,812	12,732,089
Community development	1,059,206	874,275	1,250,312
Highways and streets	4,343,557	1,651,616	1,904,303
Interest	730,086	816,506	870,101
Total governmental activities expenses	21,422,072	20,870,700	22,876,447
Business-type activities			
Water and sewer	6,974,497	6,957,557	7,167,282
Parking	326,108	368,048	349,930
Hanover Square	-	-	-
Total business-type activities expenses	7,300,605	7,325,605	7,517,212
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 28,722,677</b>	<b>\$ 28,196,305</b>	<b>\$ 30,393,659</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 920,597	\$ 806,186	\$ 796,144
Public safety	801,110	1,216,106	1,720,844
Community development	352,484	255,336	267,630
Public works	-	-	-
Highways and streets	50,537	-	-
Operating grants and contributions	1,151,423	1,795,459	1,174,947
Capital grants and contributions	-	-	129,987
Total governmental activities program revenues	3,276,151	4,073,087	4,089,552
Business-type activities			
Charges for services			
Water and sewer	7,048,989	7,285,627	7,452,531
Parking	264,000	243,232	256,413
Hanover Square	-	-	-
Operating grants and contributions	-	110,000	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	7,312,989	7,638,859	7,708,944
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 10,589,140</b>	<b>\$ 11,711,946</b>	<b>\$ 11,798,496</b>

	2007	2008	2009	2010	2011	2012
\$	2,995,293	\$ 3,170,869	\$ 3,673,924	\$ 3,208,066	\$ 4,618,393	\$ 4,634,174
	3,123,131	4,053,485	3,644,764	4,718,013	1,085,698	5,183,573
	12,112,702	13,823,930	15,252,239	15,805,836	17,146,057	15,473,122
	1,745,000	3,957,924	1,432,745	1,608,453	5,160,147	8,971,096
	1,899,180	2,200,904	2,412,849	2,019,122	1,582,651	1,499,979
	791,433	690,844	570,923	517,780	906,055	1,041,142
	22,666,739	27,897,956	26,987,444	27,877,270	30,499,001	36,803,086
	7,292,161	7,367,849	7,667,569	7,847,111	8,044,254	8,443,812
	329,848	353,128	348,435	329,761	336,895	309,014
	-	-	-	-	-	230,810
	7,622,009	7,720,977	8,016,004	8,176,872	8,381,149	8,983,636
\$	30,288,748	\$ 35,618,933	\$ 35,003,448	\$ 36,054,142	\$ 38,880,150	\$ 45,786,722
\$	855,148	\$ 836,179	\$ 837,821	\$ 909,723	\$ 1,085,427	\$ 1,106,938
	1,732,822	1,386,053	1,661,190	1,607,603	1,732,022	1,969,673
	292,135	243,066	134,915	331,637	15,800	14,116
	-	-	-	-	171,931	126,584
	-	-	-	-	-	-
	1,228,520	1,230,772	1,121,001	1,032,614	1,546,945	1,432,867
	76,798	1,438,909	-	-	543,452	475,557
	4,185,423	5,134,979	3,754,927	3,881,577	5,095,577	5,125,735
	7,549,899	7,242,681	7,191,418	7,588,046	7,965,071	8,889,712
	277,673	291,960	296,545	272,798	292,286	328,749
	-	-	-	-	-	236,916
	-	-	-	-	-	-
	-	827,377	-	-	-	102,105
	7,827,572	8,362,018	7,487,963	7,860,844	8,257,357	9,557,482
\$	12,012,995	\$ 13,496,997	\$ 11,242,890	\$ 11,742,421	\$ 13,352,934	\$ 14,683,217

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
NET (EXPENSES) REVENUES			
Governmental activities	\$ (18,145,921)	\$ (16,797,613)	\$ (18,786,895)
Business-type activities	12,384	313,254	191,732
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (18,133,537)	\$ (16,484,359)	\$ (18,595,163)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities			
Taxes			
Property	\$ 8,740,200	\$ 9,128,336	\$ 10,556,379
Sales, local use	3,657,567	3,405,265	3,764,767
Utility	1,206,679	1,224,144	1,735,559
Hotel/motel	31,329	35,954	39,848
Food and beverage	1,022,650	1,025,182	1,057,701
Other	533,110	840,757	861,355
Intergovernmental			
Personal property replacement tax	56,091	64,313	82,734
Income	2,313,368	2,591,407	2,924,903
Investment income	223,741	474,107	859,078
Miscellaneous	139,896	551,567	1,059,346
Transfers	(324,873)	22,908	71,488
Total governmental activities	17,599,758	19,363,940	23,013,158
Business-type activities			
Investment income	37,469	85,966	143,937
Miscellaneous	45,504	7,600	3,325
Transfers	324,873	(22,908)	(71,488)
Total business-type activities	407,846	70,658	75,774
TOTAL PRIMARY GOVERNMENT	\$ 18,007,604	\$ 19,434,598	\$ 23,088,932
CHANGE IN NET ASSETS			
Governmental activities	\$ (546,163)	\$ 2,566,327	\$ 4,226,263
Business-type activities	420,230	383,912	267,506
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (125,933)	\$ 2,950,239	\$ 4,493,769

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ (18,481,316)	\$ (22,762,977)	\$ (23,232,517)	\$ (23,995,693)	\$ (25,403,424)	\$ (31,677,351)
205,563	641,041	(528,041)	(316,028)	(123,792)	573,846
\$ (18,275,753)	\$ (22,121,936)	\$ (23,760,558)	\$ (24,311,721)	\$ (25,527,216)	\$ (31,103,505)
\$ 10,313,391	\$ 10,315,338	\$ 11,819,859	\$ 13,068,529	\$ 13,130,988	\$ 14,808,277
3,867,302	4,025,910	5,051,309	4,744,662	7,561,001	7,432,314
1,872,699	2,015,759	1,886,260	1,821,364	1,750,085	1,730,990
40,376	40,591	32,711	33,614	32,979	35,281
1,083,296	1,101,714	1,088,047	1,047,406	1,072,674	1,086,568
596,318	399,850	196,003	167,871	223,762	298,311
89,869	102,976	94,052	83,336	92,787	83,412
3,226,202	3,524,383	3,487,693	3,040,184	2,984,408	3,096,265
1,450,517	1,492,471	793,552	331,555	150,716	71,672
912,304	3,975,283	1,359,699	1,548,494	78,619	113,146
35,495	75,201	47,319	11,274	163,219	(2,605,806)
23,487,769	27,069,476	25,856,504	25,898,289	27,241,238	26,150,430
275,851	329,724	181,599	43,133	19,723	8,996
(48,004)	162,495	78,790	23,219	9,719	3,477
(35,495)	(75,201)	(47,319)	(11,274)	(163,219)	2,605,806
192,352	417,018	213,070	55,078	(133,777)	2,618,279
\$ 23,680,121	\$ 27,486,494	\$ 26,069,574	\$ 25,953,367	\$ 27,107,461	\$ 28,768,709
\$ 5,006,453	\$ 4,306,499	\$ 2,623,987	\$ 1,902,596	\$ 1,837,814	\$ (5,526,921)
397,915	1,058,059	(314,971)	(260,950)	(257,569)	3,192,125
\$ 5,404,368	\$ 5,364,558	\$ 2,309,016	\$ 1,641,646	\$ 1,580,245	\$ (2,334,796)

VILLAGE OF HANOVER PARK, ILLINOIS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years

Fiscal Year	2003	2004	2005 <sup>(1)</sup>	2006	2007	2008	2009	2010 <sup>(1)</sup>	2011	2012 <sup>(2)</sup>
<b>GENERAL FUND</b>										
Reserved	\$ 878,820	\$ 858,837	\$ 755,240	\$ 730,035.00	\$ 798,214	\$ 874,984	\$ 831,732	\$ 1,072,335	\$ 840,075	\$ -
Unreserved/undesignated	6,655,939	6,672,304	6,859,146	8,205,921	9,045,003	7,849,607	7,920,285	7,492,166	7,831,351	-
Nonspendable	-	-	-	-	-	-	-	-	-	2,106,350
Restricted	-	-	-	-	-	-	-	-	-	136,946
Unrestricted										
Assigned	-	-	-	-	-	-	-	-	-	674,316
Unassigned	-	-	-	-	-	-	-	-	-	7,099,207
<b>TOTAL GENERAL FUND</b>	<b>\$ 7,534,759</b>	<b>\$ 7,531,141</b>	<b>\$ 7,614,386</b>	<b>\$ 8,935,956</b>	<b>\$ 9,843,217</b>	<b>\$ 8,724,591</b>	<b>\$ 8,752,017</b>	<b>\$ 8,564,501</b>	<b>\$ 8,671,426</b>	<b>\$ 10,016,819</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 9,620,148	\$ 7,768,707	\$ 15,343,970	\$ 11,119,689	\$ 9,674,392	\$ 9,378,098	\$ 8,759,345	\$ 7,226,197	\$ 22,127,853	\$ -
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	-	-	(44,340)	(508,011)	-
Capital Project Funds	1,911,794	1,863,894	1,780,042	2,034,890	2,454,303	3,864,443	3,500,933	15,626,848	(95,629)	-
Nonspendable	-	-	-	-	-	-	-	-	-	332,306
Restricted	-	-	-	-	-	-	-	-	-	4,911,404
Unrestricted										
Assigned	-	-	-	-	-	-	-	-	-	518,719
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	(388,417)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 11,531,942</b>	<b>\$ 9,632,601</b>	<b>\$ 17,124,012</b>	<b>\$ 13,154,579</b>	<b>\$ 12,128,695</b>	<b>\$ 13,242,541</b>	<b>\$ 12,260,278</b>	<b>\$ 22,808,705</b>	<b>\$ 21,524,213</b>	<b>\$ 5,374,012</b>

(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

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004 <sup>(1)</sup>	2005 <sup>(2)</sup>
<b>REVENUES</b>			
Taxes	\$ 16,377,381	\$ 17,560,994	\$ 15,252,100
Licenses and permits	818,627	809,478	820,362
Intergovernmental	1,824,194	1,132,424	4,858,717
Charges for services and fees	203,608	285,642	925,111
Fines and forfeits	428,084	494,211	518,741
Investment income	554,134	223,741	396,188
Miscellaneous	795,648	684,292	551,567
Total revenues	21,001,676	21,190,782	23,322,786
<b>EXPENDITURES</b>			
General government	2,826,509	2,878,432	2,728,647
Public works	2,600,939	2,796,481	2,471,206
Public safety	9,934,715	10,192,937	11,345,508
Community development	720,713	1,051,288	879,085
Highways and streets	1,406,582	1,871,204	1,093,708
Capital outlay	1,261,219	1,708,830	1,500,129
Debt service			
Principal	1,634,000	1,760,200	2,053,638
Interest and fiscal charges	1,020,437	749,039	699,117
Total expenditures	21,405,114	23,008,411	22,771,038
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(403,438)</b>	<b>(1,817,629)</b>	<b>551,748</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bonds	5,210,000	229,543	7,000,000
Premiums (discounts) on debt issuance	-	-	-
Payment to escrow agent	(5,130,568)	-	-
Transfers in	4,195,095	1,797,387	601,923
Transfers (out)	(3,531,644)	(2,122,260)	(579,015)
Sale of property	432,129	10,000	-
Total other financing sources (uses)	1,175,012	(85,330)	7,022,908
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 771,574</b>	<b>\$ (1,902,959)</b>	<b>\$ 7,574,656</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>13.18%</b>	<b>11.78%</b>	<b>12.94%</b>

- (1) The decrease in fund balance was the result of the spend down of the proceeds from the 2001 General Obligation Bonds.
- (2) The significant increase in the fund balance is due to the issuance of the 2004 General Obligation Bonds.
- (3) 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.
- (4) The significant increase in the fund balance is due to the issuance of the 2010 General Obligation Bonds.
- (5) The current refunding in 2012 caused a \$7,000,000 of principal expenditures.

Data Source

Audited Financial Statements

2006 <sup>(3)</sup>	2007 <sup>(3)</sup>	2008	2009	2010 <sup>(4)</sup>	2011	2012 <sup>(5)</sup>
\$ 17,562,838	\$ 17,275,302	\$ 17,362,673	\$ 19,541,574	\$ 20,429,442	\$ 26,848,683	\$ 25,475,151
840,525	871,302	839,389	774,180	1,021,353	968,506	911,722
4,765,342	5,119,469	5,394,620	5,235,361	4,610,138	1,863,227	5,004,050
1,314,082	1,385,294	1,080,833	1,293,540	1,180,163	1,238,743	1,650,614
615,398	608,308	528,764	550,398	630,843	512,934	640,015
740,859	1,176,037	1,144,525	572,536	247,200	150,716	71,672
1,159,346	912,304	3,039,352	843,209	1,460,270	590,787	128,747
26,998,390	27,348,016	29,390,156	28,810,798	29,579,409	32,173,596	33,881,971
3,050,356	2,854,656	2,972,390	3,501,523	3,092,878	4,808,312	5,280,476
2,571,833	2,769,315	3,331,597	3,263,408	3,321,777	2,901,960	3,583,057
12,289,563	13,202,008	13,589,622	14,559,167	15,643,448	16,085,156	17,232,650
1,186,171	1,425,830	3,885,488	1,374,261	1,385,981	1,058,951	5,566,340
1,215,723	1,693,169	1,206,230	1,720,920	1,391,323	711,830	659,311
6,478,415	2,345,634	1,250,792	2,113,267	1,174,993	10,329,362	14,402,668
2,012,617	2,394,137	2,509,878	2,670,000	2,660,000	1,045,000	8,095,000
913,063	817,385	724,140	610,408	479,372	713,273	1,257,620
29,717,741	27,502,134	29,470,137	29,812,954	29,149,772	37,653,844	56,077,122
(2,719,351)	(154,118)	(79,981)	(1,002,156)	429,637	(5,480,248)	(22,195,151)
-	-	-	-	10,000,000	5,000,000	7,030,000
-	-	-	-	(80,000)	(40,000)	102,775
-	-	-	-	-	-	-
1,246,418	788,972	2,450,815	824,320	3,814,247	3,480,058	5,665,632
(1,174,930)	(753,477)	(2,375,614)	(777,001)	(3,802,973)	(3,316,839)	(5,633,605)
-	-	-	-	-	-	-
71,488	35,495	75,201	47,319	9,931,274	5,123,219	7,164,802
\$ (2,647,863)	\$ (118,623)	\$ (4,780)	\$ (954,837)	\$ 10,360,911	\$ (357,029)	\$ (15,030,349)
12.59%	12.52%	11.66%	11.57%	11.01%	5.93%	25.28%

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
2002	\$ 159,254,457	\$ 2,948	\$ 52,923,571	\$ 7,103,454	\$ 219,284,430	\$ -	\$ 219,284,430	1.370
2003	157,548,124	2,948	51,851,859	6,594,056	215,996,987	-	215,996,987	1.486
2004	185,522,484	-	54,752,068	5,736,273	246,010,825	-	246,010,825	1.437
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	N/A	N/A	N/A	N/A	N/A	N/A	304,659,229	1.591

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
2002	\$ 235,046,990	\$ 29,262	\$ 16,655,810	\$ 68,088,290	\$ 319,820,352	\$ 9,989	\$ 319,830,341	1.3382
2003	262,039,982	26,326	16,662,830	66,715,460	345,444,598	7,791	345,452,389	1.2891
2004	280,454,471	23,693	19,245,640	71,438,140	371,161,944	7,429	371,169,373	1.3371
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

N/A - Current not available

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	1.241	1.355	1.269	1.191	1.249	1.150	1.063	1.053	1.305	1.385
Debt service rate	0.129	0.131	0.168	0.152	0.153	0.136	0.120	0.114	0.244	0.205
Total Direct Rate	1.370	1.486	1.437	1.343	1.402	1.286	1.183	1.167	1.549	1.590
<b>OVERLAPPING RATES</b>										
School District #46	5.080	5.606	4.945	4.746	4.874	4.565	4.435	4.339	5.026	5.507
School District #509	0.367	0.426	0.434	0.421	0.347	0.348	0.331	0.354	0.434	0.475
Hanover Park Park District	0.476	0.534	0.469	0.441	0.471	0.423	0.386	0.371	0.429	0.442
County including Forest Preserve District and TB Sanitarium	0.757	0.693	0.654	0.598	0.562	0.499	0.466	0.443	0.474	0.545
Hanover Township	0.259	0.273	0.242	0.237	0.250	0.224	0.223	0.239	0.248	0.287
Metropolitan Water Reclamation District	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010
Poplar Creek Library	0.340	0.355	0.318	0.304	0.310	0.367	0.357	0.350	0.394	0.449
Community Mental Health	0.038	0.040	0.036	0.035	0.037	0.033	0.033	0.033	0.038	0.044
Consolidated Elections	-	0.029	-	0.014	-	0.012	-	-	-	-
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>9.067</b>	<b>9.813</b>	<b>8.891</b>	<b>8.463</b>	<b>8.546</b>	<b>8.028</b>	<b>7.674</b>	<b>7.565</b>	<b>8.875</b>	<b>9.669</b>

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	1.2248	1.1861	1.1960	1.1419	1.1635	1.0978	1.1095	1.2555	1.3739	1.5272
Debt service rate	0.1134	0.1027	0.1411	0.1297	0.1262	0.1146	0.1104	0.1200	0.2091	0.1994
<b>Total Direct Rate</b>	<b>1.3382</b>	<b>1.2888</b>	<b>1.3371</b>	<b>1.2716</b>	<b>1.2897</b>	<b>1.2124</b>	<b>1.2199</b>	<b>1.3755</b>	<b>1.5830</b>	<b>1.7266</b>
<b>OVERLAPPING RATES</b>										
School District #93	3.2923	3.0360	3.3667	3.5070	3.6473	3.6473	3.6442	3.7112	3.9130	4.1112
School District #87	1.9144	1.8530	1.7716	1.7200	1.7210	1.6612	1.6507	1.6749	1.8378	2.0199
Community College #502	0.2179	0.2100	0.1968	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495
Hanover Park Park District	0.4483	0.4340	0.4267	0.4055	0.4059	0.3801	0.3801	0.4091	0.4250	0.4554
County including Forest Preserve										
District and Airport	0.3936	0.3650	0.3421	0.3266	0.3199	0.3008	0.2923	0.2919	0.3138	0.3356
Wayne Township	0.1722	0.1570	0.1450	0.1400	0.1370	0.1289	0.1253	0.1268	0.1378	0.1479
Poplar Creek Library	0.3573	0.3040	0.3022	0.3004	0.3131	0.3696	0.3522	0.4003	0.4158	0.4553
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>8.1342</b>	<b>7.6478</b>	<b>7.8882</b>	<b>7.8585</b>	<b>8.0268</b>	<b>7.8891</b>	<b>7.8505</b>	<b>8.2024</b>	<b>8.8611</b>	<b>9.5014</b>

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	2012		Percentage of Total Village Taxable Assessed Valuation	2003		Percentage of Total Village Taxable Assessed Valuation
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
AMB-Turnberry Lakes	\$ 14,440,370	1	2.07%	\$ 4,237,790	5	0.80%
Cabot Properties, Inc.	6,955,720	2	1.00%	-		0.00%
Fisher Scientific Company	4,763,130	3	0.68%	3,904,780	7	0.80%
Westview Center - Bradley	4,272,648	4	0.61%	9,944,012	1	2.00%
Reality Associates Fund IX	3,359,050	5	0.48%	-		0.00%
Cardinal Capital Partners	3,166,670	6	0.46%	-		0.00%
Buckhead Industrial Properties	2,953,170	7	0.42%	-		0.00%
Menards	2,949,740	8	0.42%	3,502,502	8	0.70%
Iron Mountain	2,586,670	9	0.37%	-		0.00%
Greenbrook Shopping Center	2,540,320	10	0.37%	-		0.00%
Wheaton Bank Trust 1238	-		0.00%	4,840,634	4	1.00%
Norcor Tradewinds	-		0.00%	8,472,051	2	1.70%
Connecticut General Life Insurance	-		0.00%	6,186,700	3	1.20%
Fellowes Manufacturing	-		0.00%	3,943,930	6	0.80%
Individual Taxpayer - Pebblewood Court Apts	-		0.00%	3,214,923	9	0.60%
CNC - Prairie Station Apts	-		0.00%	2,354,050	10	0.50%
	<u>\$ 47,987,488</u>		<u>6.88%</u>	<u>\$ 50,601,372</u>		<u>10.10%</u>

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 Year Ended April 30,	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2003	\$ 6,698,440	\$ 1,337,936	19.97%	\$ 5,542,176	\$ 6,880,112	102.71%
2003	2004	7,194,040	1,409,463	19.59%	5,876,497	7,285,960	101.28%
2004	2005	7,940,587	1,461,007	18.40%	6,513,435	7,974,442	100.43%
2005	2006	8,113,730	1,597,398	19.69%	6,401,963	7,999,361	98.59%
2006	2007	8,669,475	1,581,476	18.24%	6,985,693	8,567,169	98.82%
2007	2008	8,771,573	1,643,467	18.74%	7,003,039	8,646,506	98.57%
2008	2009	8,997,079	1,689,164	18.77%	7,087,709	8,776,873	97.55%
2009	2010	9,360,557	1,840,527	19.66%	7,062,439	8,902,966	95.11%
2010	2011	11,081,993	1,677,810	15.14%	8,978,384	10,656,384	96.16%
2011	2012	11,294,245	2,548,018	22.56%	N/A	2,548,018	22.56%

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General merchandise	\$ -	\$ -	\$ 2,961	\$ 2,926	\$ 4,946	\$ -	\$ -	\$ -	\$ -	\$ -
Food	674,244	684,117	592,035	566,784	537,689	560,621	573,464	606,170	585,020	597,879
Drinking and eating places	256,609	251,265	254,085	276,760	284,919	286,025	281,456	256,548	253,927	264,442
Apparel	-	489	2,658	4,351	9,496	-	-	-	-	-
Furniture & HH & radio	133,061	125,549	127,962	126,497	102,353	104,591	42,647	24,904	24,015	24,163
Lumber, building and hardware	244,700	246,684	253,769	267,115	267,284	264,845	277,415	416,200	444,876	459,688
Automobile and filling stations	258,624	237,677	244,692	274,502	288,409	318,134	309,685	279,146	329,497	370,963
Drugs and miscellaneous retail	378,726	386,677	412,989	384,557	413,431	428,619	405,162	416,339	470,691	503,913
Agriculture and all others	399,226	356,152	471,654	488,584	498,388	534,035	1,194,051	2,035,368	2,398,052	2,614,185
Manufacturers	72,686	65,066	20,791	24,667	18,815	38,436	72,542	79,521	57,678	29,619
<b>TOTAL</b>	<b>\$ 2,417,876</b>	<b>\$ 2,353,676</b>	<b>\$ 2,383,596</b>	<b>\$ 2,416,743</b>	<b>\$ 2,425,730</b>	<b>\$ 2,535,306</b>	<b>\$ 3,156,422</b>	<b>\$ 4,114,196</b>	<b>\$ 4,563,756</b>	<b>\$ 4,864,852</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	<b>1.00%</b>									

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

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

Last Ten Calendar Years

Calendar Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General merchandise	\$ -	\$ -	\$ 1,393	\$ 1,303	\$ 2,149	\$ -	\$ -	\$ -	\$ -	\$ -
Food	75,276	88,061	80,129	83,355	74,013	75,161	64,159	68,648	70,052	71,383
Drinking and eating places	120,519	117,872	118,490	128,593	130,218	131,575	129,871	119,158	118,713	123,355
Apparel	-	244	1,329	2,176	4,748	-	-	-	-	-
Furniture & HH & radio	65,277	61,727	62,908	63,233	51,174	52,293	21,323	12,452	12,006	12,082
Lumber, building and hardware	121,596	122,537	125,973	132,419	132,285	130,691	136,980	204,575	219,262	226,021
Automobile and filling stations	119,926	108,244	111,532	129,927	137,456	148,079	147,813	133,108	156,364	177,242
Drugs and miscellaneous retail	107,432	101,727	109,254	91,921	97,012	100,342	88,635	91,278	121,662	133,369
Agriculture and all others	193,092	176,259	175,489	213,335	237,893	261,862	594,900	1,014,659	1,196,027	1,304,854
Manufacturers	36,253	32,464	10,371	12,207	9,307	19,123	36,144	39,529	28,387	14,353
<b>TOTAL</b>	<b>\$ 839,371</b>	<b>\$ 809,135</b>	<b>\$ 796,868</b>	<b>\$ 858,469</b>	<b>\$ 876,255</b>	<b>\$ 919,126</b>	<b>\$ 1,219,825</b>	<b>\$ 1,683,407</b>	<b>\$ 1,922,473</b>	<b>\$ 2,062,659</b>
<b>VILLAGE HOME RULE SALES TAX RATE</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.50%</b>						

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	0.75%	0.75%	0.75%	0.75%	0.75%	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%	0.75%	0.75%	1.75%	1.75%	1.25%	1.00%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<b>TOTAL</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.25%</b>	<b>8.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.00%</b>	<b>8.75%</b>

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Fiscal Years

---

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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%	0.25%	0.25%	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%
<b>TOTAL</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>

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						
2003	\$ 8,560,000	\$ 197,700	\$ 9,250,000	\$ 4,387,545	\$ 22,395,245	\$ 539,114,771	4.15%	3.41%	\$ 585.07
2004	7,710,000	355,269	8,375,000	4,142,401	20,582,670	561,449,376	3.67%	3.71%	537.72
2005	13,850,000	502,846	7,400,000	3,890,457	25,643,303	617,180,198	4.15%	2.98%	669.92
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

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)
2003	\$ 8,560,000	\$ 601,513	\$ 7,958,487	1.48%	\$ 207.91
2004	7,710,000	522,898	7,187,102	1.28%	187.76
2005	13,850,000	742,290	13,107,710	2.12%	342.43
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

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.

Data Source

Village Records

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2012

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Hanover Park	\$ 22,030,000	100.00%	\$ 22,030,000
School District #20	6,330,000	36.16%	2,288,928
School District #54	-	3.32%	-
School District #93	17,070,000	8.95%	1,527,765
High School District #87	40,465,000	2.05%	829,533
High School District #108	51,070,086	7.34%	3,748,544
High School District #211	17,255,000	1.97%	339,924
Community School District #46	301,149,006	7.87%	23,700,427
Community College District #502	203,615,000	0.75%	1,527,113
Community College District #509	176,039,262	7.16%	12,604,411
Community College District #512	185,775,000	0.85%	1,579,088
Total school districts	<u>998,768,354</u>		<u>48,145,733</u>
Cook County	3,814,460,000	0.20%	7,628,920
DuPage County	312,900,000	1.04%	3,254,160
Cook County Forest Preserve District	94,885,000	0.20%	189,770
DuPage County Forest Preserve District	255,759,232	1.09%	2,787,776
Metropolitan Water Reclamation District	2,466,464,000	0.20%	4,932,928
Bartlett Park District	32,845,000	5.28%	1,734,216
Hanover Park Park District	5,746,810	95.19%	5,470,388
Schaumburg Park District	29,965,000	1.59%	476,444
Poplar Creek Library District	20,715,000	33.85%	7,012,028
Schaumburg Township Library District	1,150,000	3.40%	39,100
Bloomington Fire Protection District	2,405,000	5.31%	127,706
Total other	<u>7,037,295,042</u>		<u>33,653,436</u>
Total overlapping debt	<u>8,036,063,396</u>		<u>81,799,169</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 8,058,093,396</u></u>		<u><u>\$ 103,829,169</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village. Every resident is not responsible for paying the debt of each overlapping government.

- (1) Determined by the ratio of assessed value of property in the Village subject to taxation by the governmental unit to the total assessed value of property of the governmental unit using the 2011 tax levy year equalized assessed values for Cook County and the 2011 tax levy year equalized assessed values for DuPage County.

Data Source

Cook and DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

April 30, 2012

---

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 (1)	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (2)
2003	38,278	\$ 764,029	\$ 19,960	29.7	5,158	7.50%
2004	38,278	764,029	19,960	29.7	5,158	6.70%
2005	38,278	764,029	19,960	29.7	5,158	6.30%
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%

Data Sources

(1) U.S. Bureau of Commerce, Bureau of the Census

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2012 (1)			2003 (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%	400	1	9.92%
Insight Enterprises, Inc.	250	3	5.00%	250	2	6.20%
Camcraft, Inc.	225	4	4.50%	180	6	4.46%
Everpure, LLC	200	5	4.00%			
Village of Hanover Park	193	6	3.86%	182	5	4.51%
Fuji Film	150	7	3.00%	200	3	4.96%
Wilson Pet Supply	120	8	2.40%	150	7	3.72%
Nypro Packaging	108	9	2.16%			
Round Ground Metals, Inc.	95	10	1.90%			
General Binding Corp				200	4	4.96%
Fellowes Manufacturing				150	8	3.72%
Fischer Scientific Distribution Center				100	9	2.48%
MAXRAD, Inc.				100	10	2.48%
	<u>2,041</u>		<u>40.82%</u>	<u>1,912</u>		<u>47.41%</u>

Data Sources

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

(1) 2010 Illinois Manufacturers Directory, 2010 Illinois Services Directory and a selective telephone survey.

(2) From a telephone canvass of employers conducted in November 2002.

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL GOVERNMENT										
Village Clerk	1	1	1	1	1	1	1	2	2	2
Administration	8	8	8	8	8	4	4	2	2	2
Legal	2	2	2	2	2	2	2	-	-	-
Human Resources	4	4	3	3	3	3	3	3	3	3
Information Technology	-	-	-	-	-	3	3	3	3	3
Finance	13	13	12	12	12	10	9	9	10	10
PUBLIC WORKS	37	37	35	35	35	39	39	37	38	38
POLICE	69	69	69	71	73	74	78	81	80	80
FIRE	27	27	30	30	33	36	36	36	37	40
COMMUNITY DEVELOPMENT	10	10	9	9	9	9	9	8	6	2
WATER AND SEWER	11	11	11	11	11	12	12	12	12	12
TOTAL	182	182	180	182	187	193	196	193	193	192

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PUBLIC WORKS</b>										
Forestry										
Number of parkway trees planted	42	39	49	33	36	12	38	42	50	-
Number of parkway trees trimmed	2,606	1,679	1,880	2,176	2,457	2,443	1,724	1,994	2,094	2,311
Brush pickup program (cubic yards collected)	1,619	2,132	1,983	2,051	2,205	2,314	1,593	1,660	1,765	1,465
Fleet services										
Number of vehicles maintained	147	147	149	149	150	150	150	150	150	152
Preventative maintenance services	422	405	392	418	403	412	417	419	427	436
<b>PUBLIC SAFETY</b>										
Fire										
Number of fire calls	978	697	665	775	787	907	909	830	912	938
Number of EMS calls	1,686	1,798	1,745	1,831	1,885	2,022	2,225	2,045	2,255	2,347
Number of training hours	15,133	8,171	7,151	7,109	6,555	11,484	10,960	10,767	10,967	14,879
ISO rating	4	4	4	4	4	4	4	4	4	4
Police										
Part I crime	768	892	742	793	666	704	656	660	587	503
Part II crime	3,156	3,051	3,104	3,758	4,394	4,469	3,799	3,674	4,476	5,019
Calls for service	40,026	44,272	40,669	42,127	43,358	42,583	43,257	40,279	42,226	44,675
State tickets issued	6,383	5,967	7,453	8,812	9,564	8,808	7,069	6,022	6,320	7,039
Compliance tickets issued	279	109	24	95	118	43	5	14	26	15
Parking tickets issued	18,812	17,740	16,000	18,827	17,752	13,710	14,147	10,539	12,161	11,918
<b>COMMUNITY DEVELOPMENT</b>										
Number of building permits issued	1,636	2,421	2,028	1,633	1,442	1,794	1,402	1,233	1,808	1,405
Number of building inspections	4,635	6,000	7,052	5,957	5,694	5,267	5,744	3,246	3,845	2,585
Number of food service inspections	326	337	354	346	355	336	338	488	509	484
<b>HIGHWAYS AND STREETS</b>										
Sidewalk replaced (square feet)	-	35,438	23,400	24,667	22,511	21,148	17,629	18,377	25,100	26,361
Annual resurfacing program (\$)	650,206	660,323	586,848	672,363	630,085	553,835	584,161	563,027	647,921	550,713
Crack sealing (pounds installed)	25,800	24,533	26,120	27,420	24,910	24,900	-	29,400	27,000	22,700

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>WATER AND SEWER</b>										
Water main breaks	51	85	59	96	37	39	49	37	58	55
Hydrants flushed	929	1,395	1,428	1,438	1,443	1,455	1,463	1,462	1,484	1,475
Water meters read	58,643	66,368	65,978	66,472	66,547	97,025	68,140	66,798	68,186	69,019
Water meter service requests	8,332	8,596	9,080	6,879	6,566	6,050	5,870	6,266	6,301	6,080
Water meters replaced	2,390	2,452	2,440	240	31	17	29	32	32	22
Total distribution pumpage (1,000 gallons)	1,056,041	1,011,422	973,198	1,095,611	1,084,912	1,029,079	965,392	974,916	954,763	938,977
Average daily pumpage (1,000 gallons)	2,893	2,771	2,666	3,002	2,972	2,819	2,645	2,671	2,616	2,566
Sanitary sewer televising (feet)	30,917	1,320	505	20,551	25,547	39,422	3,851	41,425	50,743	65,210
Sanitary sewer repairs	4	3	2	2	7	4	1	3	3	2

N/A - Not available

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PUBLIC SAFETY</b>										
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
<b>PUBLIC WORKS</b>										
Streets (miles)	98.88	98.88	99.36	99.36	99.36	99.36	99.36	99.36	99.36	80.13
Sidewalks (miles)	152.38	154.04	154.04	154.04	154.66	154.84	155.13	155.13	155.13	155.15
Streetlights	930	935	1,041	1,041	1,076	1,081	1,086	1,090	1,130	1,138
<b>WATER AND SEWER</b>										
Water mains (miles)	110.49	110.49	111.51	111.51	111.75	111.83	111.78	112.05	112.35	112.35
Fire hydrants	1,427	1,428	1,449	1,449	1,452	1,459	1,464	1,469	1,474	1,475
Sanitary sewers (miles)	93.10	93.10	93.94	93.94	93.86	93.96	93.96	93.76	93.76	93.80
Manholes	2,322	2,322	2,347	2,347	2,347	2,351	2,351	2,342	2,343	2,346

Data Source

Village records