

**VILLAGE OF HANOVER PARK,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR ENDED APRIL 30, 2006**

Prepared by Department of Finance

Harry Sakai  
Director of Finance

Joan Rock  
Assistant Director of Finance

VILLAGE OF HANOVER PARK, ILLINOIS

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## 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, 2006

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Robert D. Packham, Acting President

Rodney S. Craig

Joseph J. Nicolosi

Wesley E. Eby

Vacant

William J. Manton

Lori J. Kaiser

Sherry L. Craig, Village Clerk

**ADMINISTRATIVE**

Marc G. Hummel, Manager

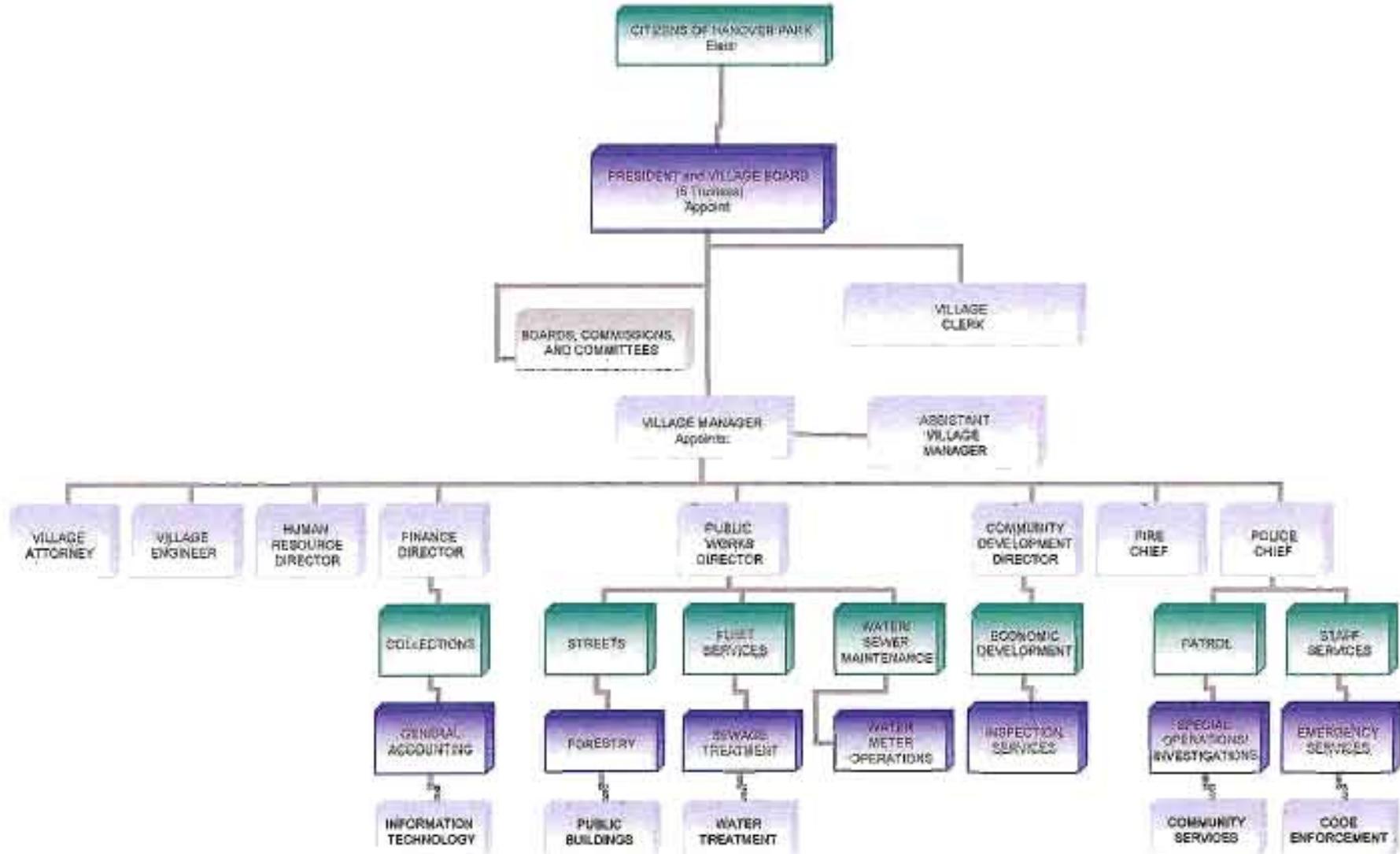
**FINANCE DEPARTMENT**

Harry Sakai  
Director of Finance

Joan Rock  
Assistant 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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Egan*

Executive Director

# Village of Hanover Park

Municipal Building  
2121 West Lake Street  
Hanover Park, Illinois  
60133-4398

Robert D. Packham  
Acting Village President

Sherry L. Craig  
Village Clerk

630-372-4200  
Fax 630-372-4215

Marc G. Hummel  
Village Manager

September 7, 2006

The Honorable Acting 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, 2006 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally-accepted auditing standards, include all of the accounts and funds of the Village, and be completed within six months after the close 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, 2006.

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 Lauterbach and Amen, 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, 2006. 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 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 2000 census, is 38,278.

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, the 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 major general and special revenue fund comparisons are included in the required supplementary information, while the major debt service and capital projects fund comparisons are included in the Combining and Individual Fund Statements and Schedules section. Other governmental fund comparisons are also presented in the Nonmajor Governmental Funds subsection of this report.

There were 182 full-time positions and 61 part-time positions, excluding seasonal workers, in the Fiscal Year 2006 annual budget. There are four different labor unions that represent sworn police officers, firefighters, paid on-call firefighters, and Public Works employees.

### Local Economy

The condition of the Village economy has improved since Fiscal Year 2005 and has resulted in double-digit percentage increases in local tax revenues.

- Municipal sales tax revenues totaled \$2,433,881 which was an increase of \$230,956 or 10.48%
- Home rule sales tax revenues totaled \$875,884 which was an increase of \$83,005 or 10.47%.
- Simplified telecommunications tax revenues increased significantly in Fiscal Year 2006 as a result of an increase in the tax rate from 3.25% to 6.0% effective July 1, 2005 from \$617,722 in Fiscal Year 2005 to \$1,102,424 in 2006. This was an increase of \$484,702 or 78.47%
- The Village Board expanded the Vehicle Impoundment Fee Ordinance to include additional violations. As a result, vehicle impoundment fees totaled \$757,000 which was an increase of \$349,500 or 85.77% in Fiscal Year 2006.
- Ambulance fees totaled \$332,283 which was an increase of \$57,562 or 20.95%.

The largest source of revenue for the Village continues to be the property tax, which is an extremely stable revenue source.

Property Tax Revenues

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
2002	\$5,675,506	\$ 95,674	\$1,400,312	\$137,937	\$ 7,309,429
2003	\$5,888,456	\$ 88,683	\$1,816,764	\$ 98,673	\$ 7,892,576
2004	\$6,282,366	\$100,224	\$1,955,738	\$334,404	\$ 8,672,732
2005	\$6,668,961	\$ 93,514	\$2,018,777	\$347,084	\$ 9,128,336
2006	\$7,210,193	\$ 88,937	\$2,607,091	\$650,158	\$10,556,379

The Village equalized assessed valuation increased \$39 million, or 6.37%, from \$617 million in the 2004 levy year to \$656 million in the 2005 levy year. This increase is due to reassessments (\$34 million) and new construction (\$5 million).

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>% Increase</u>
2001	\$492,404,740	\$60,708,924	14.06%
2002	\$539,114,771	\$46,710,031	9.49%
2003	\$561,449,376	\$22,334,605	4.14%
2004	\$617,180,365	\$55,730,989	9.93%
2005	\$656,485,204	\$39,304,839	6.37%

## Long-Term Financial Planning

The unreserved, undesignated 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 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, 2002	\$6,836,663	\$18,755,751	36.45%
April 30, 2003	\$6,655,939	\$18,221,728	36.53%
April 30, 2004	\$6,672,304	\$18,616,432	35.84%
April 30, 2005	\$6,859,146	\$19,709,077	34.80%
April 30, 2006	\$8,205,921	\$21,434,564	38.28%

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 replacement of a 36-year-old Headquarters Fire Station, however, was a capital project which required a departure from this "pay-as-you-go" philosophy. This capital project required the issuance of general obligation debt to provide the necessary financing for the project.

### Major Initiatives

The Village of Hanover Park continues to manage its fiscal operations well and operate cost effectively in Fiscal Year 2006. The Village, with its budgeted full-time staffing of 182, serves its citizens with 4.8 full-time employees per 1,000 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 Lake Street multi-year reconstruction project, including the burial of overhead utilities, approval of design components for lighting, landscaping, and commuter parking reconfiguration, is expected to be completed during the first quarter of Fiscal Year 2007.
- The Village of Hanover Park issued \$7.0 million of general obligation bonds in the prior fiscal year to finance the construction of a new headquarters fire station. The fire station is expected to be completed during the first quarter of Fiscal Year 2007.
- Special Service Area #5 was created during the fiscal year to provide scavenger services and the reconstruction of private streets in the Tanglewood Subdivision.
- Tax Increment Financing District #4 was created during the fiscal year for the redevelopment of the area along Irving Park Road east of Barrington Road. The redevelopment plans include the demolition of the old Tradewinds Shopping Center and the construction of a new retail home improvement center.

- Economic development is continuing to pursue and establish the commercial and industrial businesses that blend with the Village.

### 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, 2005. This was the 15th 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 2007 budget document. This was the 16th 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. I would like to thank Assistant Finance Director Joan Rock for her dedicated work in coordinating the audit again this year.

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,



Harry I. Sakai  
Finance Director

## FINANCIAL SECTION

This section includes:

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

**INDEPENDENT AUDITORS' REPORT**

INDEPENDENT AUDITORS' REPORT

September 7, 2006

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented components units, 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, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village of Hanover Park, Illinois' nonmajor governmental and internal service funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended April 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Village of Hanover, 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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, 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, 2006, and the respective changes in financial position and cash flows, were applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information listed as schedules in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Hanover Park, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic, combining, and individual fund financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and each of the combining and individual fund financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Lauterbach & Amen LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**APRIL 30, 2006**

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The Village of Hanover Park (the "Village") Management 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, 2006 by \$85,427,190 (net assets). Of this amount, \$9,625,241 (unrestricted net assets) may be used to meet the village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased \$4,593,769 to \$85,427,190 during the fiscal year primarily due the reduction of debt with current year revenues.
- The governmental activities net assets increased by \$4,326,263 to \$56,256,244. The governmental activities unrestricted net assets increased \$2,462,153 to \$2,649,556. Approximately two thirds of this increase is attributable to TIF and other non-capital debt service principal payments made during the fiscal year with current year revenues.
- The business-type activities net assets increased by \$267,506 to \$29,170,946. This increase is the result of higher water consumption during the fiscal year and tap-on fee revenue from a new residential development in the Village.
- The Village's combined governmental funds ending fund balance decreased \$2,647,863 to \$22,090,535 as of April 30, 2006. This decrease, for the most part, was a result of the payments for the construction of the new Headquarters Fire Station from the proceeds of the \$7,000,000 General Obligation Bonds, Series 2004. These expenditures, in the amount of \$4,894,038, were paid from the 2004 Capital Projects Fund. This substantial decrease was offset by an increase in state and local tax revenues in the General Fund.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,205,921 or 38.3% of General Fund Fiscal Year 2007 budgeted expenditures and other financing uses.
- The Village's total debt decreased by \$2,347,515 to \$23,295,788 during the current fiscal year. The decrease was a result of the principal payments made on existing debt during the fiscal year.



(See independent auditor's report)

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Hanover Park's basic financial statements. The Village's basic financial statements comprise 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 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 the food and beverage taxes finance the majority of these activities. The business-type activities reflect private sector-type operations (Water and Sewer 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 18-21 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

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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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 on 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 15 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Motor Fuel Tax Fund, Tax Increment Financing #2 Bond Fund and the 2004 Capital Projects Fund 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-27 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 Water and Sewer and Municipal Railroad Parking Lot 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 and compensated absences. Both Internal Service Funds predominantly serve governmental rather than business-type functions and have been included with governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The 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 is the Village's only nonmajor enterprise fund. Both 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 Fund and the Internal Service Funds is presented elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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***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 32-33 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 34-73 of this report. In Fiscal Year 2006 the notes includes additional deposit and investment disclosures as a result of the implementation of Governmental Accounting Standards Board Statement No. 40, Deposits and Investments.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedule and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 74-83 of this report. The combining and individual fund statements for nonmajor governmental, enterprise, and internal service funds are presented on pages 84-155 of this report, immediately following the required supplementary information. The Supplemental Schedules, on pages 156-165, includes detailed long-term debt payment information. The Statistical Section, on pages 166-187, includes information on government-wide revenues and expenditures, property taxes, and additional information in compliance with Governmental Accounting Standards Board Statement No. 44, Economic Condition Reporting. The Village implemented this standard in Fiscal Year 2006.

**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. In the case of the Village of Hanover Park, assets exceeded liabilities by \$85,427,190 as of April 30, 2006. The largest portion of the Village's net assets reflects its investment in capital assets (\$66,176,714 or 77.5%), including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net assets (\$9,625,235 or 11.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$9,625,241 or 11.3%) 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.

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The Village's combined net assets increased by \$4,593,769 as a result of the governmental activities increasing \$4,326,263 and business-type activities increasing \$267,506. Net assets of the Village's governmental funds were \$56,256,244. The Village's unrestricted net assets from governmental activities were \$2,649,556, an increase of \$2,462,153. This increase is primarily due to the scheduled payment of this Tax Increment Financing debt and other non-capital long-term debt utilizing current year revenues.

The following table reflects the condensed Statement of Net Assets:

<b>Village of Hanover Park</b>						
<b>Statement of Net Assets as of April 30, 2006</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
<b>Assets</b>						
Current Assets	\$ 37,634,132	\$ 38,206,913	\$ 7,705,952	\$ 6,851,330	\$ 45,340,084	\$ 45,058,243
Noncurrent Assets	46,589,622	50,455,767	26,084,499	27,009,190	72,674,121	77,464,957
<b>Total Assets</b>	<b>\$ 84,223,754</b>	<b>\$ 88,662,680</b>	<b>\$ 33,790,451</b>	<b>\$ 33,860,520</b>	<b>\$118,014,205</b>	<b>\$ 122,523,200</b>
<b>Liabilities</b>						
Current Liabilities	\$ 10,598,195	\$ 13,027,683	\$ 1,188,039	\$ 1,248,538	\$ 11,786,234	\$ 14,276,221
Long-Term Liabilities	21,695,578	19,378,753	3,698,972	3,441,036	25,394,550	22,819,789
<b>Total Liabilities</b>	<b>\$ 32,293,773</b>	<b>\$ 32,406,436</b>	<b>\$ 4,887,011</b>	<b>\$ 4,689,574</b>	<b>\$ 37,180,784</b>	<b>\$ 37,096,010</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	\$ 42,683,565	\$ 43,981,453	\$ 22,194,042	\$ 22,195,261	\$ 64,877,607	\$ 66,176,714
Restricted	9,059,013	9,625,235			9,059,013	9,625,235
Unrestricted	187,403	2,649,556	6,709,398	6,975,685	6,896,801	9,625,241
<b>Total Net Assets</b>	<b>\$ 51,929,981</b>	<b>\$ 56,256,244</b>	<b>\$ 28,903,440</b>	<b>\$ 29,170,946</b>	<b>\$ 80,833,421</b>	<b>\$ 85,427,190</b>

The net assets of business-type activities were \$29,170,946. The business-type activities unrestricted net assets increased by \$266,287 from Fiscal Year 2005 due to a temporary increase in tap-on fee revenues as a result of new residential development and increased water revenues as a result of higher water consumption. The Village can use the unrestricted net assets of \$6,975,685 to finance the continuing operation of its water and wastewater utility as well as its commuter parking programs.

For more detailed information see the Statement of Net Assets (page 18-19).

**Changes in Net Assets**

*Governmental Activities*

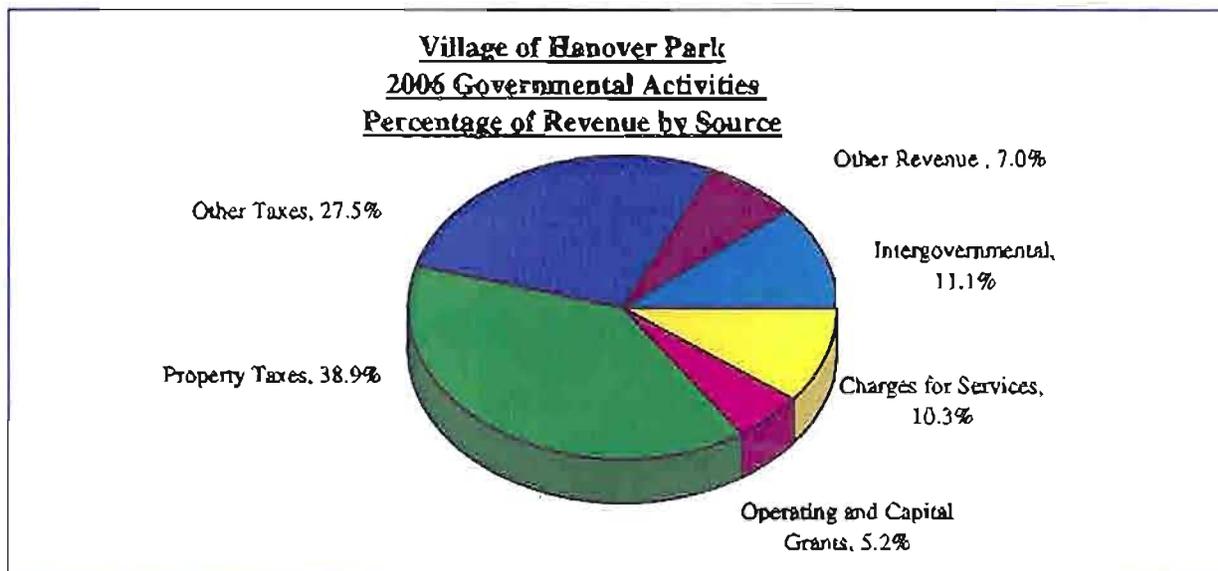
Governmental activities increased the Village's net assets by \$4,326,263 to \$56,256,244. Key elements contributing to this net change are as follows:

**Revenues**

For the fiscal year ended April 30, 2006, revenues and net transfers from governmental activities totaled \$27,131,222 an increase of \$3,717,103. Property taxes continue to be the Village's largest revenue source totaling \$10,556,379 and representing 38.9% of total governmental activity revenue. Other Taxes, including sales tax, utility tax, food and beverage tax, real estate transfer tax total

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

\$7,459,230 or 27.5% of the total governmental activities revenues. Intergovernmental revenues, including State Income Tax and Replacement Tax, represent 11.1%.



Property tax revenues increased from \$9,128,336 in Fiscal Year 2005 to \$10,556,379 in Fiscal Year 2006, an increase of \$1,428,043 or 15.6%. More than half of this increase resulted from higher Tax Increment Financing property tax revenue. Other factors include increase debt service revenues due to the issuance of the 2004 General Obligation Bonds and a 5% increase in the 2004 General Fund levy over the prior years tax extension. The "blended" 2004 property tax rate for Cook and DuPage Counties increased only slightly from the 2003 tax year from 1.373 in 2003 to 1.382 in 2004. This is due to the 9.93% increase in its equalized assessed valuation (EAV) from \$561,449,376 for the 2003 property tax year to \$617,180,365 for the 2004 property tax year, an increase of \$55,730,989. The EAV in Cook County actually increased significantly in 2004 due to the triennial reassessment of property. The 2005 Levy Year Equalized assessed value increased in both Cook and DuPage Counties by a total of \$39,304,839. Approximately one-quarter of the 2005 tax levy revenues are recognized in Fiscal Year 2006.

**Village of Hanover Park  
Equalized Assessed Valuation**

Levy Year	Property in Cook County	Property in DuPage County	Total	Percentage Increase (Decrease)
2003	\$ 215,996,987	\$ 345,452,389	\$ 561,449,376	
2004	\$ 246,010,825	\$ 371,169,540	\$ 617,180,365	9.93%
2005	\$ 258,749,737	\$ 397,735,467	\$ 656,485,204	6.37%

Construction on two new residential developments continued in Fiscal Year 2006. These new developments have caused temporary increases in building permit and tap-on fee revenues in the General and Water and Sewer Funds. The vehicle impoundment fee was expanded during the fiscal year to include additional offenses; as a result, revenues totaled \$757,000 and increased \$349,500 from the prior year. These initiatives contributed to the increase in the unrestricted net assets of the Village's business-type and governmental activities.

VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Sales, use and state income tax revenues increased from the prior fiscal year due to an improvement in the state and local economies. Simplified Telecommunications Tax revenues increased significantly due to an increase in the tax rate from 3.25% to 6.0% during the fiscal year. The performance of other tax and intergovernmental revenues also increased marginally.

	Fiscal Year		Increase (Decrease)
	2005	2006	
Sales and Use Tax	\$ 3,405,265	\$ 3,764,767	\$ 359,502
State Income Tax	2,591,407	2,924,903	333,496
Simplified Telecommunications Tax	617,722	1,102,424	484,702
<b>Total</b>	<b>\$ 6,614,394</b>	<b>\$ 7,792,094</b>	<b>\$ 1,177,700</b>

The following chart shows the revenues and expenses for all Village activities:

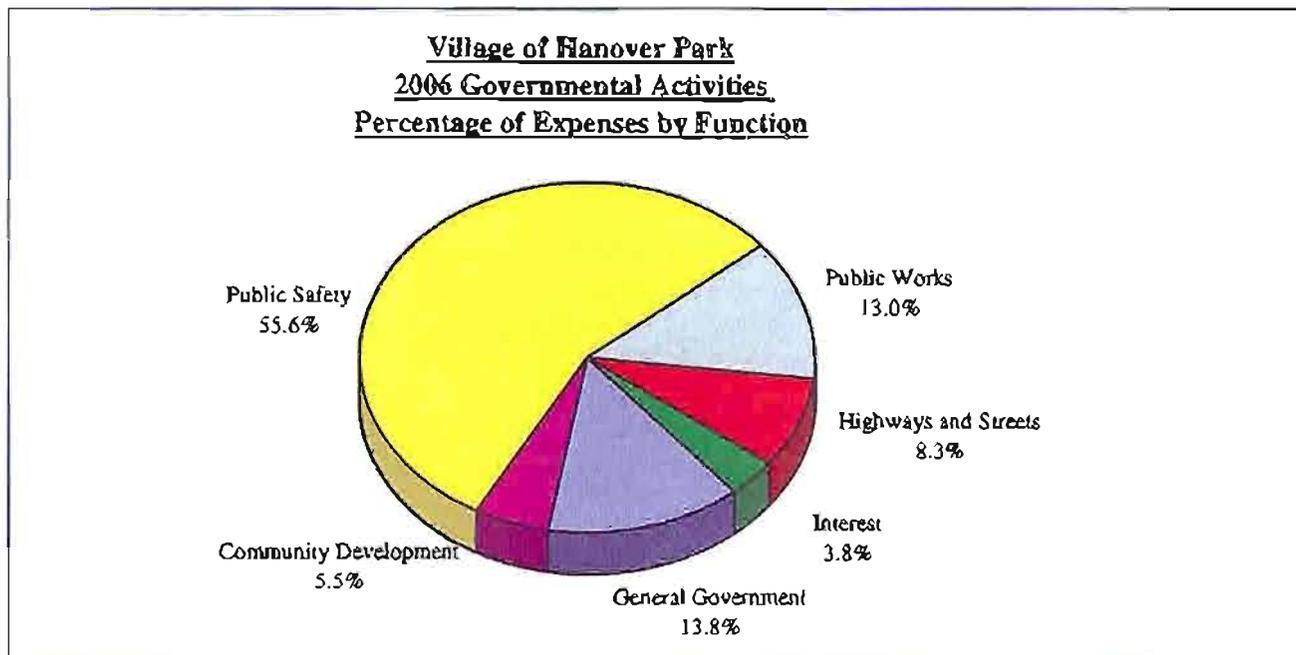
Village of Hanover Park Changes in Net Assets for the Fiscal Year Ended April 30, 2006						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 2,277,628	\$ 2,784,618	\$ 7,528,859	\$ 7,708,944	\$ 9,806,487	\$ 10,493,562
Operating Grants	1,795,459	1,274,947	110,000		1,905,459	1,274,947
Capital Grants		129,987				129,987
<b>General Revenues</b>						
Property Taxes	9,128,336	10,556,379			9,128,336	10,556,379
Other Taxes	6,531,302	7,459,230			6,531,302	7,459,230
Intergovernmental	2,655,720	3,007,637			2,655,720	3,007,637
Other Revenue	1,025,674	1,918,424	93,566	147,262	1,119,240	2,065,686
<b>Total Revenue</b>	<b>\$ 23,414,119</b>	<b>\$ 27,131,222</b>	<b>\$ 7,732,425</b>	<b>\$ 7,856,206</b>	<b>\$ 31,146,544</b>	<b>\$ 34,987,428</b>
<b>Expenses</b>						
General Government	\$ 3,032,901	\$ 3,151,719			\$ 3,032,901	\$ 3,151,719
Public Works	2,691,590	2,967,923			\$ 2,691,590	\$ 2,967,923
Public Safety	11,803,812	12,732,089			\$ 11,803,812	\$ 12,732,089
Community Development	874,275	1,250,312			\$ 874,275	\$ 1,250,312
Highways and Streets	1,651,616	1,904,303			\$ 1,651,616	\$ 1,904,303
Interest	816,506	870,101			\$ 816,506	\$ 870,101
Water and Sewer			6,957,557	7,167,282	\$ 6,957,557	\$ 7,167,282
Commuter Parking Lot			368,048	349,930	\$ 368,048	\$ 349,930
<b>Total Expenses</b>	<b>\$ 20,870,700</b>	<b>\$ 22,876,447</b>	<b>\$ 7,325,605</b>	<b>\$ 7,517,212</b>	<b>\$ 28,196,305</b>	<b>\$ 30,393,659</b>
<b>Increase in Net Assets before Transfers</b>	<b>\$ 2,543,419</b>	<b>\$ 4,254,775</b>	<b>\$ 406,820</b>	<b>\$ 338,994</b>	<b>\$ 2,950,239</b>	<b>\$ 4,593,769</b>
<b>Transfers</b>	<b>22,908</b>	<b>71,488</b>	<b>(22,908)</b>	<b>(71,488)</b>	<b>0</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>\$ 2,566,327</b>	<b>\$ 4,326,263</b>	<b>\$ 383,912</b>	<b>\$ 267,506</b>	<b>\$ 2,950,239</b>	<b>\$ 4,593,769</b>
<b>Net Assets, May 1</b>	<b>49,363,654</b>	<b>51,929,981</b>	<b>28,519,528</b>	<b>28,903,440</b>	<b>77,883,182</b>	<b>80,833,421</b>
<b>Net Assets, April 30</b>	<b>\$ 51,929,981</b>	<b>\$ 56,256,244</b>	<b>\$ 28,903,440</b>	<b>\$ 29,170,946</b>	<b>\$ 80,833,421</b>	<b>\$ 85,427,190</b>

(See independent auditor's report)

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Expenses**

For the fiscal year ended April 30, 2006, expenses from governmental activities totaled \$22,876,447, an increase of \$2,005,747 from Fiscal Year 2005. This was due to a significant decrease in Public Safety as a result of the construction of a new Headquarters Fire Station and the addition of three full-time firefighters. Expenses in community development increased due to a higher level of activity in the Tax Increment Financing District capital projects funds. Other functions increased due to inflationary adjustments in salaries, benefits, and other costs.



***Business-Type Activities***

Business-type activities increased the Village's net assets by \$267,506 to \$29,170,946. Key elements of this net change are as follows:

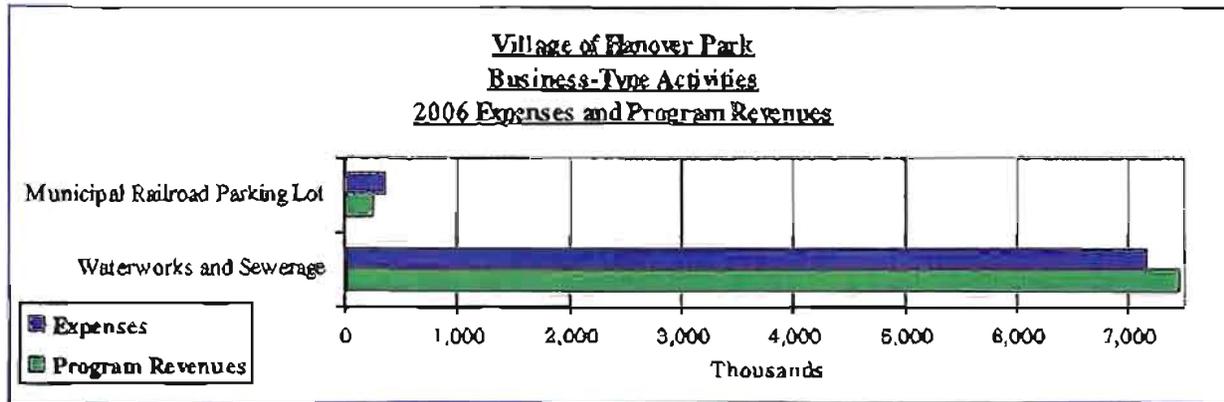
**Revenues**

Water sales increased due to higher consumption during the fiscal year as a result of a slightly drier summer. No rate increase was approved during the year, however, it was the first full year of the water rate increase approved effective July 1, 2004. Water sales increase to \$4,451,988 from \$4,385,216 in 2006. Sewer sales decreased \$34,020 to \$2,419,122 due to the expansion of the summer sewer credit. Under this program, sewer bills during the summer months are based on the resident's bill during February or March to allow for outside water use which does not enter the sewer system. The program was expanded to include six months, rather than 4, to encompass all of the summer months for all billing cycles. Tap on fee revenue remained high due to the continued construction of two new residential developments in the Village. Operating revenues for the Municipal Railroad Parking Lot Fund increased \$13,181 to \$256,413 due to increased utilization of the lot as a result of the completion of the Lake Street reconstruction Project which resulted in traffic congestion near the train station.

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Expenses**

Expenses from all business-type activities increased \$191,607 or 2.6% to \$7,517,212. This increase is due to increases in salaries, benefits and other inflationary increases offset by a reduction in capital asset maintenance costs in the Municipal Railroad Parking Lot Fund. Expenses in the Municipal Railroad Parking Lot Fund currently exceed program revenues.



**Financial Analysis of the Village's Funds**

**Governmental Funds**

For the fiscal year ended April 30, 2006, the governmental funds reflect a combined fund balance of \$22,090,535, a decrease of \$2,647,863 from the prior year. The decrease is primarily due to the \$4,718,951 reduction in fund balance in the 2004 Capital Projects Fund which was the result of the spend down of bond proceeds from the 2004 General Obligation Bonds used to finance the construction of the new Headquarters Fire Station. This decrease was offset by an increase in the General Fund, of \$1,321,570, and TIF #2 Bonds Series of 1987 and 1989 Fund of \$470,221, due to improved revenue performance.

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As previously stated, at April 30, 2006 the Governmental Funds (as presented on page 22-27) reported a combined fund balance of \$22,090,535. Of the total fund balance, \$10,221,364 is unreserved indicating availability for continuing Village services. The 2005 unreserved fund balance for Village's Governmental Funds increased significantly by \$1,582,176, or 18.3%.

<b><u>Governmental Fund Fund Balances</u></b>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Reserved Fund Balance	\$10,498,968	\$8,627,544	\$16,099,210	\$11,869,171
Unreserved Fund Balance	8,567,733	8,536,198	8,639,188	10,221,364
<b>Total Fund Balance</b>	<b>\$19,066,701</b>	<b>\$17,163,742</b>	<b>\$24,738,398</b>	<b>\$22,090,535</b>
<b>% Increase (Decrease) in Unreserved Fund Balance</b>		-0.4%	1.2%	18.3%

(See independent auditor's report)

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Again, this increase in the unreserved fund balance is primarily due to improved revenue performance in the General Fund including state and local taxes, intergovernmental, public safety user fees and a temporary rise in permit revenues as the result of two new residential developments. The reserved fund balance of \$11,869,171 includes \$4,047,954 for highways and streets, \$5,064,260 for debt service, \$1,392,328 for capital outlay, and \$634,594 for community development.

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 \$1,321,570 to \$8,935,956 from Fiscal Year 2005. This is an improvement over the prior fiscal year in which there was an increase of \$83,245. This improvement is due to increased revenues from the property tax, utility tax, sales tax, state income tax, building permits and vehicle impoundment fees coupled with a continued effort to control increases in expenditures. Significant revenue increases are displayed in the following chart:

<u>Village of Hanover Park</u>				
<u>Performance of Select General Fund Revenues</u>				
	<u>Fiscal Year</u>		<u>Revenue Increase</u>	<u>Percentage Increase</u>
	<u>2005</u>	<u>2006</u>		
Property Tax	6,668,961	7,210,193	541,232	8.1%
Municipal and Home-rule Sales Tax	2,953,095	3,192,546	239,451	8.1%
Utility Tax	1,224,144	1,735,559	511,415	41.8%
State Income Tax	2,591,407	2,924,903	333,496	12.9%
Vehicle Impoundment Fees	407,500	757,000	349,500	85.8%

In Fiscal Year 2006 the Vehicle Impoundment fee was expanded to include additional offenses. This, coupled with heightened enforcement, resulted in an 85.8% increase in this revenue source. The rate for the Simplified Telecommunications Tax, a Utility Tax, was increased to 6.0% from 3.25% effective July 1, 2005. Improvement in state and local economies resulted in increases in sales and income tax revenues. Overall revenues increased by \$2,506,337 or 13.9% to \$20,571,558, while expenditures increased \$1,258,323 or 7.2% to \$18,833,082 from the prior year. The net effect had a positive effect on the change in fund balance.

The Motor Fuel Tax Fund experienced a \$27,847, or 0.8% increase in fund balance. This minimal increase is because expenditures in the fund were slightly less than revenues from Motor Fuel Tax Allotments and interest. The reserved fund balance in the TIF #2 Bond Series of 1987 and 1989 Fund increased to \$4,114,855 from \$3,644,634. This was caused by an increase in property tax revenues in the TIF project area. The 2004 Capital Projects Fund fund balance was \$1,211,623, a reduction of 4,718,951, at the end of the fiscal year due to the spend down of bond proceeds from the 2004 General Obligation Bonds used for the construction of the new Headquarters Fire Station.

**Proprietary Funds**

At April 30, 2006 the Proprietary Funds (as presented on pages 28-31) total net assets increased by \$647,949 or 1.9% to \$29,170,946. This increase is due to a 4.0% increase in water and sewer rates approved during the prior fiscal year. Another change which had a positive effect on net assets was the higher than normal tap-on fee revenue from new residential construction within the Village. Sewer sales decreased slightly due to a change in the summer sewer credit program. This program was expanded in Fiscal Year 2006 to include three months for each billing cycle instead of two. With this program, residential sewer bills issued during the summer months are based on water consumption during February

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

and March to allow for outside water usage that does not enter the sewer system. The nonmajor proprietary fund experienced a loss. Although parking fee revenue has increase slightly from the prior fiscal year, revenues are still lower than previous years due to the continued decrease lot utilization as a result of the construction on Lake Street. The commuter lot is located on Lake Street and was impacted by the traffic congestion caused by the project. The net assets of the nonmajor internal service funds increased because revenues to the funds exceeded expenses in the current year. This was primarily the result of a reduction in vehicle purchases due to the delay of scheduled vehicle purchases.

**General Fund Budgetary Highlights**

<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2006	2006	Actual	
	Original Budget	Final Budget	2006	2005
Revenues	\$ 18,974,403	\$ 19,112,723	\$ 20,571,558	\$ 18,065,221
Expenditures	18,683,903	18,897,485	18,833,082	17,574,759
Excess of Revenues over Expenditures	\$ 290,500	\$ 215,238	\$ 1,738,476	\$ 490,462
Other Financing Sources (Uses)	(1,011,245)	(797,663)	(416,906)	(407,217)
Net Change in Fund Balance	\$ (720,745)	\$ (582,425)	\$ 1,321,570	\$ 83,245

The total General Fund expenditure budget, including operating transfers, were increased during the fiscal year to budget an transfer from the General Fund to a nonmajor Capital Projects Fund and to increase expenditures for public safety pensions. The transfer to the public safety pension expenditure accounts was to accommodate an additional transfer to the Police and Firefighters Pension Funds over the amount recommended by the actuary. In addition, transfers were made between departments as a result of employee contract settlements. These increases were financed by an adjustment to the revenue budget for a transfer from the Tax Increment Financing District #3 Fund. This transfer represents a partial reimbursement for prior year expenditures paid by the General Fund. The revenue budget was also adjusted to reflect the final property tax levy request.

General Fund actual revenues were \$1,597,155 more than the original budgeted amount and \$1,458,835 more than the final budget. Tax revenues, including property, sales and utility taxes, were over the original budget by a total of \$466,720. Property tax revenues were over budget due to the timing of property tax receipts. The entire 2005 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 2004 tax levy. Building permits revenues totaled \$263,332 and were larger than budgeted due to a higher than expected level of activity in the new residential developments. Vehicle impoundment fees were \$289,000 over the original budget because the fee was expanded to include additional offenses after the budget was prepared.

**Capital Assets**

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2006, amounts to \$77,464,957. The investment in capital assets includes land, buildings, equipment,

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

improvements other than buildings, underground systems, infrastructure, and construction in progress. This amount represents a net increase (including additions and deductions) of \$4,790,836.

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

- Continuation of the \$13 million Lake Street multi-year construction project jointly funded by Federal State and Village funds. Lake Street is a major arterial roadway in the Village. The project included the burial of overhead utilities, street lighting, landscaping and commuter parking lot improvements and the reconstruction of a portion of Lake Street. The Illinois Department of Transportation is the agency overseeing the multiyear project. The Village has paid \$1.4 million to State agency for its share of the project costs. The project is expected to be completed in the fall of 2005. During the fiscal year \$543,847 was capitalized in Governmental Activities in the Public Works function for the reconfiguration of municipal building parking lot, entryway improvements and an irrigation system. The municipal building is located on Lake Street and this reconfiguration was necessary due to a new traffic signal installed as part of the project.
- The construction of a new Headquarters Fire Station, to replace a 36 year old Fire Protection District headquarters fire station, continued. The financing was provided by the issuance of a \$7.0 million General Obligation Bonds, Series 2004. At the close of the fiscal year construction in progress had reached \$5,085,741. Land in the amount of \$567,792 was capitalized during the prior fiscal year for the new fire station location.



<b>Village of Hanover Park Capital Assets (Net of Depreciation)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Land	\$ 27,321,319	\$27,164,319	\$ 2,254,633	\$ 2,254,633	\$ 29,575,952	\$ 29,418,952
Buildings	3,513,185	3,133,108	8,720,080	9,029,500	12,233,265	12,162,608
Improvements other than Buildings			14,162,006	13,907,919	14,162,006	13,907,919
Machinery and Equipment	3,513,535	3,049,148	690,066	870,390	4,203,601	3,919,538
Infrastructure	12,204,392	12,896,597			12,204,392	12,896,597
Construction In Progress	5,085,741	346,450	-	22,057	5,085,741	368,507
<b>Total</b>	<b>\$ 51,638,172</b>	<b>\$46,589,622</b>	<b>\$25,826,785</b>	<b>\$ 26,084,499</b>	<b>\$ 77,464,957</b>	<b>\$ 72,674,121</b>

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 51-52.

The governmental activities net capital assets increased from last year by \$5,048,550 primarily due to the construction of the new Headquarters Fire Station. The decrease in the business-type activities net capital

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

assets by \$257,714 is attributable to the fact that the amount of additions was less than the amount of deletions and depreciation expensed this year.

**Infrastructure Assets**

The Village's infrastructure, including roads, bridges, and storm sewers are reported within the Governmental column of the Government-Wide Statements. The Village has elected to depreciate these assets over their estimated useful life. If a road project is considered a recurring cost that does not extend the road's original useful life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

**Debt Outstanding**

<b><u>Village of Hanover Park</u></b>						
<b><u>Outstanding Debt</u></b>						
<b><u>General Obligation Bonds, Revenue Bonds, Loans and Notes</u></b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$12,970,000	\$13,850,000			\$ 12,970,000	\$ 13,850,000
TIF Revenue Bonds	6,325,000	7,400,000			6,325,000	7,400,000
Notes Payable	369,264	502,846			369,264	502,846
IEPA Loan			\$ 3,631,524	\$ 3,890,457	3,631,524	3,890,457
<b>Total</b>	<b>\$19,664,264</b>	<b>\$21,752,846</b>	<b>\$ 3,631,524</b>	<b>\$ 3,890,457</b>	<b>\$ 23,295,788</b>	<b>\$ 25,643,303</b>

The Village currently has three general obligation bond series, two tax increment bond series, one fire truck note, one computer note, and two Illinois EPA loan series outstanding. The Village's total debt decreased by \$2,347,515 or 9.2% during the fiscal year. The key factor in this increase was the pay down of existing debt during the fiscal year. No new debt was issued in Fiscal Year 2006.

The tax increment financing bonds were issued for improvements in the TIF Redevelopment District located at Barrington and Irving Park Roads. The issuance of these bonds did not produce a capital asset for the Village; therefore, the unrestricted net assets for governmental activities have been reduced by the amount of these bonds. The tax increment bonds are a limited liability of the Village and are secured by the incremental property tax revenues and general sales taxes generated in the project area.

The \$7,000,000 General Obligation Bonds Series of 2004 was issued in Fiscal Year 2005. The proceeds from this bond issues is being used to finance the construction of a new Headquarters Fire Station. The interest rates on these bonds range from 3.5% to 4.4%. The bond payments for this issue have been structured so as to cause minimal impact on the taxpayers of the Village. Therefore, bond principal payments do not begin until tax levy year 2001 when the 2001 and 2002 bonds have been paid off.

The Village issued the 2002 General Obligation Refunding Bonds in Fiscal Year 2003. These bonds were used to refund the 1996 General Obligation Bond issue that were used to pay for a judgment against the Village in connection with a traffic accident. Because these bonds also did not produce a capital asset for the Village, the unrestricted net assets for governmental activities have been reduced by the amount of these bonds. The 2001 General Obligation Bonds were used to finance various capital improvements.

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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The Village acquired a new IBM AS400 computer in Fiscal Year 2004. A Note from a local banking institution was used to finance this purchase. The amount outstanding on this note as of April 30, 2006 was \$79,015. During fiscal year 2005 the Village financed the purchase of Emergency One fire pumper truck with a 2.75% fixed rate 60 month installment note. This note had an outstanding balance of \$290,249 at April 30, 2006.

The Illinois Environmental Protection Agency (IEPA) notes were used to finance sanitary sewer improvements within the Village. The two 20 year low interest installment loans mature in April 2017 and July 2019.

The Village, under its home rule authority, does not have a legal debt limit. During Fiscal Year 2005, the Village's AA3 bond rating was reaffirmed by Moody's Investors Service citing the Village's well-managed financial operations, moderate direct debt burden, and aggressive retirement of its general obligation bonds. The Village obtained a similar bond rating of AA- from Standard & Poors. The Village has no immediate plans to issue bonds.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 55-61.

**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 improved during the year as a result of the improvement in the local economy. Increased economic development within the community is expected to result in continue improvement in future years. State income tax revenue, state-shared revenue, increased significantly due to an improvement in the state economy. The commercial component of the village includes building material sales, restaurants, and other food and retail businesses. The average unemployment rate for the Village during the fiscal year was 6.6%, which is a slight increase from a rate of 6.4% for the prior fiscal year.

The Fiscal Year 2007 budget proposes a property tax rate increase of 4%. This increase is expected to generate an additional \$241,924 in revenue. Building permit revenues and planning and inspections fees are expected to remain elevated due to continued construction on the two new residential developments and commercial development as part of the Village Center Project. This project is a multi-family residential and commercial development being constructed on vacant property in the center of the Village. Simplified Telecommunications Tax revenues are expected to increase \$81,100 because this will be the first full year of revenues since the tax rate increase from 3.25% to 6.00% that was implemented in Fiscal Year 2006. Other tax revenues are expected to increase minimally.

An increase in water and sewer rates has not been budgeted, however, revenue from the treatment of landfill leachate is budgeted in Fiscal Year 2007 in the amount of \$200,000. This is a new revenue source generated from the treatment of leachate from a large Illinois Environmental Protection Agency regulated landfill site that abuts the Village. A water rate study is planned during Fiscal Year 2007. This study will evaluate our water and sewer rate structure and recommend water and sewer rate alternatives which sufficiently fund future operating and capital needs. Commuter parking lot fees will remain unchanged; however, a strategy to reduce the operating deficit in the fund is to be developed.

**VILLAGE OF HANOVER PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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Five new employees are included in the Fiscal Year 2007 budget including three additional firefighters and two additional police officers. In addition, budgeted expenditures include increases due to salary adjustments which are part of employee labor agreements. Employee health and liability insurance costs are expected to decrease due to a change in the Preferred Provider Option plan, an increase in the pharmaceutical co-pay, an increase in the number of health plan options and improved loss prevention and employee safety which has resulted in fewer liability insurance claims. Pension costs are also expected to increase. Expenditures for commodities and other contractual services have been increased, which is a change from the previous fiscal year, in which an effort was made to reduce these costs. The budget includes the final payment for the Lake Street reconstruction project and the completion of the construction of the new Headquarters Fire Station.

**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 Harry I. Sakai, Director of Finance, Village of Hanover Park, 2121 West Lake Street, Hanover Park, Illinois 60133.

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Statement of Net Assets**

**April 30, 2006**

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**See Following Page**

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Assets  
April 30, 2006

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 27,453,598	\$ 5,292,574	\$ 32,746,172
Receivables - net			
Property taxes	7,905,328	-	7,905,328
Accounts	701,501	1,256,536	1,958,037
Accrued interest	217,710	42,101	259,811
Prepays/inventories	544,498	260,119	804,617
Due from other governments	1,384,278	-	1,384,278
	<u>38,206,913</u>	<u>6,851,330</u>	<u>45,058,243</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	32,407,060	2,254,633	34,661,693
Depreciable	43,749,076	34,849,938	78,599,014
Accumulated depreciation	(24,517,964)	(11,277,786)	(35,795,750)
	<u>51,638,172</u>	<u>25,826,785</u>	<u>77,464,957</u>
Other Assets			
Internal advances	(1,182,405)	1,182,405	-
Total Noncurrent Assets	<u>50,455,767</u>	<u>27,009,190</u>	<u>77,464,957</u>
Total Assets	<u>88,662,680</u>	<u>33,860,520</u>	<u>122,523,200</u>

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

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	1,665,673	586,219	2,251,892
Other payables	128,316	-	128,316
Accrued payroll	526,006	82,611	608,617
Interest payable	302,677	15,204	317,881
Deposits payable	-	254,968	254,968
Unearned revenues	7,889,718	39,439	7,929,157
Current portion of long-term liabilities	2,515,293	270,097	2,785,390
	<u>13,027,683</u>	<u>1,248,538</u>	<u>14,276,221</u>
<b>Noncurrent Liabilities</b>			
Net pension obligation	1,368,860	-	1,368,860
Compensated absences payable	817,876	75,628	893,504
Notes/loans payable	232,017	3,365,408	3,597,425
Tax increment financing bonds payable	4,900,000	-	4,900,000
General obligation bonds payable	12,060,000	-	12,060,000
	<u>19,378,753</u>	<u>3,441,036</u>	<u>22,819,789</u>
Total Liabilities	<u>32,406,436</u>	<u>4,689,574</u>	<u>37,096,010</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	43,981,453	22,195,261	66,176,714
Restricted - Capital outlay	180,705	-	180,705
Restricted - Community development	634,594	-	634,594
Restricted - Debt service	4,761,982	-	4,761,982
Restricted - Highways and streets	4,047,954	-	4,047,954
Unrestricted	2,649,556	6,975,685	9,625,241
	<u>\$ 56,256,244</u>	<u>\$ 29,170,946</u>	<u>\$ 85,427,190</u>

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Activities  
Year Ended April 30, 2006

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General government	\$ 3,151,719	\$ 796,144	\$ -	\$ -
Public works	2,967,923	-	-	-
Public safety	12,732,089	1,720,844	45,924	129,987
Community development	1,250,312	267,630	-	-
Highways and streets	1,904,303	-	1,229,023	-
Interest on long-term debt	870,101	-	-	-
	<u>22,876,447</u>	<u>2,784,618</u>	<u>1,274,947</u>	<u>129,987</u>
<b>Business-Type Activities</b>				
Waterworks and sewerage	7,167,282	7,452,531	-	-
Municipal Parking Lot	349,930	256,413	-	-
	<u>7,517,212</u>	<u>7,708,944</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,393,659</u>	<u>\$ 10,493,562</u>	<u>\$ 1,274,947</u>	<u>\$ 129,987</u>

General Revenues  
Taxes  
Property  
Sales and local use  
Utility  
Hotel/motel  
Food and beverage  
Real estate transfer  
Intergovernmental  
Replacement taxes  
Income taxes  
Interest Income  
Miscellaneous  
Transfers - Internal Activity

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
\$ (2,355,575)	\$ -	\$ (2,355,575)
(2,967,923)	-	(2,967,923)
(10,835,334)	-	(10,835,334)
(982,682)	-	(982,682)
(675,280)	-	(675,280)
(870,101)	-	(870,101)
<u>(18,686,895)</u>	<u>-</u>	<u>(18,686,895)</u>
-	285,249	285,249
-	(93,517)	(93,517)
-	<u>191,732</u>	<u>191,732</u>
\$ (18,686,895)	\$ 191,732	\$ (18,495,163)
\$ 10,556,379	\$ -	\$ 10,556,379
3,764,767	-	3,764,767
1,735,559	-	1,735,559
39,848	-	39,848
1,057,701	-	1,057,701
861,355	-	861,355
82,734	-	82,734
2,924,903	-	2,924,903
859,078	143,937	1,003,015
1,059,346	3,325	1,062,671
71,488	(71,488)	-
<u>23,013,158</u>	<u>75,774</u>	<u>23,088,932</u>
4,326,263	267,506	4,593,769
<u>51,929,981</u>	<u>28,903,440</u>	<u>80,833,421</u>
\$ 56,256,244	\$ 29,170,946	\$ 85,427,190

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

VILLAGE OF HANOVER PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2006

	<u>General</u>
<b>ASSETS</b>	
Cash and investments	\$ 7,323,912
Receivables - net of allowances	
Property taxes	6,532,492
Accounts	701,400
Accrued interest	85,668
Due from other governments	1,196,565
Prepays/inventories	544,498
Due from other funds	36,079
Advances to other funds	185,537
	<u>                    </u>
Total Assets	<u>\$ 16,606,151</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts payable	\$ 468,768
Other payables	128,316
Accrued payroll	526,006
Due to other funds	-
Advances from other funds	-
Deferred revenues	14,613
Unearned revenues	6,532,492
Total Liabilities	<u>7,670,195</u>
<b>Fund Balances</b>	
Reserved - prepaids/inventory	544,498
Reserved - advance to other funds	185,537
Reserved - capital outlay	-
Reserved - community development	-
Reserved - debt service	-
Reserved - highways and streets	-
Unreserved	8,205,921
Total Fund Balances	<u>8,935,956</u>
	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$ 16,606,151</u>

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

Motor Fuel Tax	TIF #2 Bond Series of 1987 and 1989	2004 Capital Projects	Nonmajor Governmental	Totals
\$ 3,365,556	\$ 4,112,305	\$ 2,163,724	\$ 4,634,192	\$ 21,599,689
-	-	-	1,372,836	7,905,328
101	-	-	-	701,501
41,797	2,550	-	37,495	167,510
87,713	-	-	100,000	1,384,278
-	-	-	-	544,498
-	-	-	-	36,079
-	-	-	-	185,537
<u>\$ 3,495,167</u>	<u>\$ 4,114,855</u>	<u>\$ 2,163,724</u>	<u>\$ 6,144,523</u>	<u>\$ 32,524,420</u>
\$ 19,574	\$ -	\$ 952,101	\$ 213,173	\$ 1,653,616
-	-	-	-	128,316
-	-	-	-	526,006
-	-	-	36,079	36,079
-	-	-	185,537	185,537
-	-	-	-	14,613
-	-	-	1,357,226	7,889,718
<u>19,574</u>	<u>-</u>	<u>952,101</u>	<u>1,792,015</u>	<u>10,433,885</u>
-	-	-	-	544,498
-	-	-	-	185,537
-	-	1,211,623	180,705	1,392,328
-	-	-	634,594	634,594
-	4,114,855	-	949,405	5,064,260
3,475,593	-	-	572,361	4,047,954
-	-	-	2,015,443	10,221,364
<u>3,475,593</u>	<u>4,114,855</u>	<u>1,211,623</u>	<u>4,352,508</u>	<u>22,090,535</u>
<u>\$ 3,495,167</u>	<u>\$ 4,114,855</u>	<u>\$ 2,163,724</u>	<u>\$ 6,144,523</u>	<u>\$ 32,524,420</u>

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

VILLAGE OF HANOVER PARK, ILLINOIS

Reconciliation of Total Governmental Fund Balance to  
Net Assets - Governmental Activities

April 30, 2006

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<b>Total Governmental Fund Balances</b>	<b>\$ 22,090,535</b>
 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 funds.	49,319,998
Internal Service Funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Assets.	5,876,251
Revenues not available to pay for current period expenditures are deferred in the funds	14,613
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net pension obligation payable	(1,368,860)
Notes payable	(79,015)
Tax increment financing bonds payable	(6,325,000)
General obligation bonds payable	(12,970,000)
Accrued interest payable	(302,278)
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 56,256,244</u></b>

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2006**

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**See Following Page**

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
 Year Ended April 30, 2006

	<u>General</u>
Revenues	
Taxes	\$ 13,436,847
Licenses and permits	840,525
Intergovernmental	3,506,332
Charges for services	1,314,082
Fines and forfeits	615,398
Interest	193,425
Miscellaneous	664,949
Total Revenues	<u>20,571,558</u>
Expenditures	
Current	
General government	3,050,356
Public works	2,571,833
Public safety	12,289,563
Community development	861,554
Highways and streets	-
Capital outlay	-
Debt Service	
Principal retirement	57,617
Interest and fiscal charges	2,159
Total Expenditures	<u>18,833,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,738,476</u>
Other Financing Sources (Uses)	
Transfers in	379,012
Transfers out	(795,918)
	<u>(416,906)</u>
Net Change in Fund Balances	1,321,570
Fund Balances - Beginning	<u>7,614,386</u>
Fund Balances - Ending	<u>\$ 8,935,956</u>

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

Motor Fuel Tax	TIF #2 Bond Series of 1987 and 1989	2004 Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ 1,799,175	\$ -	\$ 2,326,816	\$ 17,562,838
-	-	-	-	840,525
1,129,023	-	-	229,987	4,865,342
-	-	-	-	1,314,082
-	-	-	-	615,398
97,754	128,441	171,912	149,327	740,859
1,000	-	3,175	390,222	1,059,346
1,227,777	1,927,616	175,087	3,096,352	26,998,390
-	-	-	-	3,050,356
-	-	-	-	2,571,833
-	-	-	-	12,289,563
-	-	-	324,617	1,186,171
1,199,930	-	-	15,793	1,215,723
-	-	4,894,038	1,584,377	6,478,415
-	1,075,000	-	880,000	2,012,617
-	382,395	-	528,509	913,063
1,199,930	1,457,395	4,894,038	3,333,296	29,717,741
27,847	470,221	(4,718,951)	(236,944)	(2,719,351)
-	-	-	867,406	1,246,418
-	-	-	(379,012)	(1,174,930)
-	-	-	488,394	71,488
27,847	470,221	(4,718,951)	251,450	(2,647,863)
3,447,746	3,644,634	5,930,574	4,101,058	24,738,398
\$ 3,475,593	\$ 4,114,855	\$ 1,211,623	\$ 4,352,508	\$ 22,090,535

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

VILLAGE OF HANOVER PARK, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities

Year Ended April 30, 2006

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Net Change in Fund Balances - Total Governmental Funds \$ (2,647,863)

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

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital outlays 5,748,134  
Depreciation expense (1,000,403)

The net effect of various miscellaneous transactions involving capital assets  
is to decrease net assets

Disposals - cost (452,543)  
Disposals - accumulated depreciation 297,309

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds

1,199

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to net pension obligation payable (58,279)  
Retirement of notes payable 57,617  
Retirement of tax increment financing bonds payable 1,075,000  
Retirement of general obligation bonds payable 880,000

Changes to accrued interest on long-term debt in the Statement of Activities  
do not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

52,105

Internal service funds are used by the Village to charge the costs of vehicle and equipment  
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is  
reported with governmental activities.

373,987

Changes in Net Assets of Governmental Activities

\$ 4,326,263

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Statement of Net Assets - Proprietary Funds**  
**Year Ended April 30, 2006**

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**See Following Page**

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Assets - Proprietary Funds

April 30, 2006

	Business-Type Activities - Enterprise			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Railroad Parking Lot	Totals	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 5,015,015	\$ 277,559	\$ 5,292,574	\$ 5,853,909
Receivables - net of allowances				
Accounts	1,256,536	-	1,256,536	-
Accrued interest	39,357	2,744	42,101	50,200
Prepays	244,599	15,520	260,119	-
	<u>6,555,507</u>	<u>295,823</u>	<u>6,851,330</u>	<u>5,904,109</u>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Nondepreciable	937,116	1,317,517	2,254,633	-
Depreciable	33,197,468	1,652,470	34,849,938	4,431,236
Accumulated depreciation	(10,660,499)	(617,287)	(11,277,786)	(2,113,062)
	<u>23,474,085</u>	<u>2,352,700</u>	<u>25,826,785</u>	<u>2,318,174</u>
<b>Other Assets</b>				
Advances to other funds	1,126,139	56,266	1,182,405	-
Total Noncurrent Assets	<u>24,600,224</u>	<u>2,408,966</u>	<u>27,009,190</u>	<u>2,318,174</u>
Total Assets	<u>31,155,731</u>	<u>2,704,789</u>	<u>33,860,520</u>	<u>8,222,283</u>

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

	Business-Type Activities - Enterprise			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor		
		Municipal Railroad Parking Lot	Totals	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 575,217	\$ 11,002	\$ 586,219	\$ 12,057
Accrued payroll	77,321	5,290	82,611	-
Accrued interest payable	15,204	-	15,204	399
Deposits payable	254,968	-	254,968	-
Unearned revenue	-	39,439	39,439	-
Compensated absences payable	3,981	-	3,981	43,046
Installment contracts payable	-	-	-	78,110
Notes payable - IEPA	266,116	-	266,116	-
	<u>1,192,807</u>	<u>55,731</u>	<u>1,248,538</u>	<u>133,612</u>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	75,628	-	75,628	817,876
Advances from other funds	-	-	-	1,182,405
Installment contracts payable	-	-	-	212,139
Notes payable - IEPA	3,365,408	-	3,365,408	-
	<u>3,441,036</u>	<u>-</u>	<u>3,441,036</u>	<u>2,212,420</u>
<b>Total Liabilities</b>	<u>4,633,843</u>	<u>55,731</u>	<u>4,689,574</u>	<u>2,346,032</u>
<b>NET ASSETS</b>				
Invested in capital assets - net of related debt	19,842,561	2,352,700	22,195,261	2,027,925
Unrestricted	6,679,327	296,358	6,975,685	3,848,326
	<u>\$ 26,521,888</u>	<u>\$ 2,649,058</u>	<u>\$ 29,170,946</u>	<u>\$ 5,876,251</u>

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2006

	Business-Type Activities - Enterprise			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Railroad Parking Lot	Totals	
Operating Revenues				
Charges for services	\$ 7,452,531	\$ 256,413	\$ 7,708,944	\$ 672,216
Operating Expenses				
Administration	1,283,581	-	1,283,581	-
Operations	4,950,720	305,428	5,256,148	102,256
Depreciation	824,788	44,502	869,290	299,678
Total Operating Expenses	7,059,089	349,930	7,409,019	401,934
Operating Income (Loss)	393,442	(93,517)	299,925	270,282
Nonoperating Revenues (Expenses)				
Interest	136,374	7,563	143,937	118,219
Other income	-	-	-	1,085
Disposal of capital assets	3,325	-	3,325	(6,456)
Interest expense	(108,193)	-	(108,193)	(9,143)
	31,506	7,563	39,069	103,705
Income (Loss) Before Transfers	424,948	(85,954)	338,994	373,987
Transfers out	(71,488)	-	(71,488)	-
Change in Net Assets	353,460	(85,954)	267,506	373,987
Net Assets - Beginning	26,168,428	2,735,012	28,903,440	5,502,264
Net Assets - Ending	\$ 26,521,888	\$ 2,649,058	\$ 29,170,946	\$ 5,876,251

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended April 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Railroad Parking Lot	Totals	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 7,433,256	\$ 276,145	\$ 7,709,401	\$ 1,050,295
Payments to suppliers	(4,355,270)	(182,257)	(4,537,527)	(1,338)
Payments to employees	(1,792,343)	(148,362)	(1,940,705)	-
	1,285,643	(54,474)	1,231,169	1,048,957
Cash Flows from Noncapital Financing Activities				
Transfers out	(71,488)	-	(71,488)	-
Advances to/from other funds	(52,981)	(11,991)	(64,972)	64,972
	(124,469)	(11,991)	(136,460)	64,972
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(633,633)	-	(633,633)	(781,236)
Proceeds on disposal of capital assets	25,381	-	25,381	19,049
Principal paid on debt	(258,933)	-	(258,933)	(75,965)
Interest paid on debt	(108,193)	-	(108,193)	(9,143)
	(975,378)	-	(975,378)	(847,295)
Cash Flows from Investing Activities				
Interest received	136,374	7,563	143,937	118,219
Net Change in Cash and Cash Equivalents	322,170	(58,902)	263,268	384,853
Cash and Cash Equivalents - Beginning	4,692,845	336,461	5,029,306	5,469,056
Cash and Cash Equivalents - Ending	5,015,015	277,559	5,292,574	5,853,909
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	393,442	(93,517)	299,925	270,282
Adjustments to reconcile operating income income to net cash provided by (used in) operating activities:				
Depreciation	824,788	44,502	869,290	299,678
Other income/grants	-	-	-	1,085
Increase (decrease) in current assets	(19,275)	19,732	457	376,994
Increase (decrease) in current liabilities	86,688	(25,191)	61,497	100,918
Net Cash Provided by Operating Activities	\$ 1,285,643	\$ (54,474)	\$ 1,231,169	\$ 1,048,957

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Assets - Fiduciary Funds  
 April 30, 2006

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,839,407	\$ 387,092
Investments		
U.S. government and agency obligations	10,869,227	-
Mutual funds	9,042,273	-
Receivables		
Property taxes	-	56,000
Accrued interest	131,136	2,112
Total Assets	<u>21,882,043</u>	<u>445,204</u>
<b>LIABILITIES</b>		
Accounts payable	2,363	-
Due to bondholders	-	445,204
Total Liabilities	<u>2,363</u>	<u>445,204</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits	<u>\$ 21,879,680</u>	<u>\$ -</u>

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended April 30, 2006

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	Pension Trust
Additions	
Contributions - employer	\$ 1,492,321
Contributions - plan members	514,001
Total Contributions	<u>2,006,322</u>
Investment income	
Interest earned	672,799
Net change in fair value	1,257,820
Less investment expenses	<u>32,398</u>
Total Additions	<u>1,898,221</u>
Total Additions	<u>3,904,543</u>
Deductions	
Administration	53,393
Benefits and refunds	1,301,495
Total Deductions	<u>1,354,888</u>
Change in Net Assets	2,549,655
Net Assets - Beginning	<u>19,330,025</u>
Net Assets - Ending	<u>\$ 21,879,680</u>

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

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hanover Park, Illinois (Village) was incorporated in 1958. The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire protection, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, commuter parking facility and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Hanover Park
Blended Component Unit:	Police Pension Employees Retirement System Firefighters' Pension Employee Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the component unit provided services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### REPORTING ENTITY – Continued

##### Blended Component Units

###### Police Pension Employees Retirement System

The Village's sworn 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

###### Firefighters' Pension Employees Retirement System

The Village's sworn full-time 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 President, one elected pension beneficiary, and two elected fire employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 the Village's contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. The FPERS is reported as a pension trust fund.

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage and commuter parking activities are classified as business-type activities.

# VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### BASIS OF PRESENTATION – Continued

#### Government-Wide Statements – Continued

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, community development, public safety, public works, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, community development, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

#### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

**General fund** is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Motor Fuel Tax Fund, which accounts for the revenues and expenditures 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 State gasoline taxes.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one major debt service fund, the TIF #2 Bond Series of 1987 and 1989 Fund, which accounts for the accumulation of monies for the payment of \$4,275,000 Barrington-Irving tax increment revenue bonds, series 1987 until maturity in 2007 and \$8,100,000 Barrington-Irving tax increment revenue bonds, series 1989 until maturity in 2009.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

These bonds were issued to finance improvements in the Barrington-Irving Redevelopment Project Area. Financing is being provided by incremental revenues from real property taxes and sales taxes. The bonds are a limited liability of the Village and are secured by 100% of the incremental property taxes generated in the project area.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the 2004 Capital Projects Fund, which is used to account for the construction of a new Headquarters Fire Station funded by the General Obligation Bonds, Series 2004.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major proprietary fund, the Waterworks and Sewerage Fund, which 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.

**Internal Service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the District on a cost-reimbursement basis. The Village maintains two internal service funds, the Central Equipment Fund and the Employee Compensated Absences Fund.

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

# VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### BASIS OF PRESENTATION - Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

**Pension Trust Funds** are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

**Agency Funds** are used to account for assets held by the Village in a purely custodial capacity. The Village maintains one agency fund, the Special Service Area #2 Fund, which is used to accumulate monies for the payment of \$2,300,000 Special Service Area #2 unlimited tax bonds which are due in annual installments until maturity in 2009. These bonds were issued to finance public improvements until maturity in 2009. These bonds were issued to financing public improvements on Tower, Barrington and Irving Park Roads. Financing is being provided by ad valorem taxes to be levied without limitation as to rate or amount upon the taxable property in the Village designated at the "Village of Hanover Park Special Service Area #2." These bonds are not general obligations of the Village, and neither the full faith and credit nor the taxing power of the Village is pledged to the payment thereof.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

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

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2006

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

**Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**Prepays**

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

**Capital Assets**

Capital assets, other than infrastructure, buildings and improvements, purchased or acquired with an original cost of over \$10,000 and infrastructure, buildings and improvements with an original cost of over \$25,000 are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, stormsewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

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

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The liability for governmental activities is reported in the Employee Compensated Absences Fund (an internal service fund).

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

# VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

#### Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### BUDGETARY INFORMATION

All departments of the Village submit requests for appropriations 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 appropriations 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 appropriations. The final budget must be approved by April 30.

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 budgeted appropriations at the fund level. During the year, several supplemental appropriations were necessary.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated 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.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### DEFICIT FUND EQUITY

The following funds had deficit fund equities at the end of the year:

Fund	Deficit
Tax Increment Financing #4	\$ 19,447
Special Service Area #3	31,249
Special Service Area #4	45,476
Special Service Area #5	36,079

### NOTE 3 – DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the Motor Fuel Tax Fund and the pension trust funds. Each fund type'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.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

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

*Deposits.* At year-end, the carrying amount of the Village’s deposits for governmental, business-type, and agency activities totaled \$9,253,130 and the bank balances totaled \$9,629,769.

*Investments.* The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Federal Farm Credit Bureau	\$ 972,660	\$ -	\$ 972,660
Federal Home Loan Bank	15,447,194	3,755,303	11,691,891
Federal Home Loan Mortgage Corp	1,435,235	-	1,435,235
Federal National Mortgage Association	967,810	-	967,810
Illinois Metropolitan Investment Fund	2,390,392	-	2,390,392
Illinois Funds	2,666,843	2,666,843	-
	<u>\$ 23,880,134</u>	<u>\$ 6,422,146</u>	<u>\$ 17,457,988</u>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village’s investment policy states that 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.

## VILLAGE OF HANOVER PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2006

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### **Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states that investments shall be limited to the safest types of securities. At year-end, the Village's investments U.S. Government Agencies are all rated AAA by Standard & Poor's, and the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's. IMET is a 1-3 year government bond fund and receives Standard & Poor's AAAs rating for credit quality and Standard & Poor's S1 rating for volatility, or interest rate, risk.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires the collateralization of public deposits whenever the amount on deposit exceeds the Federal Deposit Insurance Corporation's (FDIC) balance limitations. The collateral shall be held by an independent third-party institution in the name of the Village. A written collateralization agreement shall be executed by the financial institution, the custodial bank and the Village. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires that all investments be held by an independent third-party custodian. At year-end, the Village's investments in U.S. Government Agencies are all insured or registered with the Village or its agent in the Village's name and the Village's investment in the Illinois Fund is noncategorizable. The IMET Convenience Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET at the Federal Reserve Bank of New York.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the investment portfolio shall be diversified so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The Village shall diversify its investments to the best of its ability based on the types of funds invested and the cash flow needs of those funds. At year-end, the Village's investment in the Illinois Fund and the Illinois Metropolitan Investment Trust represents more than 5 percent of the total cash and investment portfolio. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds and the Illinois Metropolitan Investment Fund.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$975,350 and the bank balances totaled \$1,059,252.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Bonds	\$ 437,353	\$ -	\$ -	\$ -	\$ 437,353
U.S. Treasury Notes	2,078,679	1,044,143	670,244	364,292	-
Federal Farm Credit Bureau	676,496	-	430,871	245,625	-
Federal Home Loan Bank	2,735,262	247,970	1,682,514	804,778	-
Federal Home Loan Mortgage Corp	104,438	-	104,438	-	-
Federal National Mortgage Association	911,282	350,063	433,632	51,210	76,377
Government National Mortgage Association	138,241	-	-	-	138,241
Municipal Bonds	302,094	-	154,747	147,347	-
	<u>\$ 7,383,845</u>	<u>\$ 1,642,176</u>	<u>\$ 3,476,446</u>	<u>\$ 1,613,252</u>	<u>\$ 651,971</u>

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

*Credit Risk.* The Fund’s investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund’s investments in U.S. Government and Agency securities and as municipal bonds were all rated AAA rated by Standard & Poor’s.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

*Custodial Credit Risk.* The Fund’s investment policy states that the custodian of the funds accepts possession of securities and/or funds in a matter which insures their safety and ownership. All investments shall be made in the name of and clearly held and accounted for to indicate ownership of the Fund. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund’s investment in U.S. Treasury and Agency securities as well as municipal bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

*Concentration Risk.* The Fund’s investment policy states that the portfolio shall be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Diversification is to be interpreted to include diversification by asset type, by characteristic and by number of investments. Investment management of the 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 Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$6,132,909 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard Mutual Funds.

**Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$287,597 and the bank balances totaled \$287,597.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Notes	\$ 1,225,157	\$ -	\$ 1,048,510	\$ 176,647	\$ -
Federal Home Loan Bank	150,448	-	150,448	-	-
Federal Home Loan Mortgage Corp	572,332	-	572,332	-	-
Federal National Mortgage Association	1,269,917	135,000	278,862	150,011	706,044
Government National Mortgage Association	166,466	-	2,566	-	163,900
Municipal Bonds	101,062	-	-	-	101,062
Illinois Funds	576,460	576,460	-	-	-
	<u>\$ 4,061,842</u>	<u>\$ 711,460</u>	<u>\$ 2,052,718</u>	<u>\$ 326,658</u>	<u>\$ 971,006</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

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

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

*Custodial Credit Risk.* The Fund's investment policy states that the custodian of the funds accepts possession of securities and/or funds in a matter which insures their safety and ownership. All investments shall be made in the name of and clearly held and accounted for to indicate ownership of the Fund. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's U.S. Treasury and Agency securities and municipal bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is noncategorizable.

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

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
Equities	40%	10% to 45%
Fixed Income	57%	50% to 80%
Cash and Equivalents	3%	2% to 10%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$2,909,364 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard Mutual Funds.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**PROPERTY TAXES**

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, 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 are payable in two installments, on or about June 1, 2006, and September 1, 2006. Tax bills are also prepared by Cook County and are payable in two installments, on or about March 1, 2006, and September 1, 2006. The Counties collect such taxes and remit them periodically.

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital Assets- Nondepreciable</b>				
Land	\$ 2,959,670	\$ 160,000	\$ 3,000	\$ 3,116,670
Land Right of Way	24,204,649	-	-	24,204,649
Construction in Progress	346,450	4,739,291	-	5,085,741
	<u>27,510,769</u>	<u>4,899,291</u>	<u>3,000</u>	<u>32,407,060</u>
<b>Other Capital Assets</b>				
Buildings	5,780,335	543,847	-	6,324,182
Machinery and Equipment	6,367,212	1,086,232	545,703	6,907,741
Infrastructure	30,517,153	-	-	30,517,153
	<u>42,664,700</u>	<u>1,630,079</u>	<u>545,703</u>	<u>43,749,076</u>
<b>Less Accumulated Depreciation</b>				
Buildings	2,647,227	163,770	-	2,810,997
Machinery and Equipment	3,318,064	444,105	367,963	3,394,206
Infrastructure	17,620,556	692,205	-	18,312,761
	<u>23,585,847</u>	<u>1,300,080</u>	<u>367,963</u>	<u>24,517,964</u>
<b>Total Other Capital Assets</b>	<u>19,078,853</u>	<u>329,999</u>	<u>177,740</u>	<u>19,231,112</u>
<b>Total Capital Assets</b>	<u>\$ 46,589,622</u>	<u>\$ 5,229,290</u>	<u>\$ 180,740</u>	<u>\$ 51,638,172</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 65,899
Community Development	3,912
Public Safety	275,587
Public Works	266,102
Highways and Streets	688,580
	<u>\$ 1,300,080</u>

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>Capital Assets - Nondepreciable</b>				
Land	\$ 2,254,633	\$ -	\$ -	\$ 2,254,633
Construction in Progress	22,057	-	22,057	-
	<u>2,276,690</u>	-	<u>22,057</u>	<u>2,254,633</u>
<b>Other Capital Assets</b>				
Buildings and Structures	12,568,138	-	-	12,568,138
Underground Systems	11,358,263	163,515	-	11,521,778
Machinery, Equipment and Vehicles	2,662,728	207,658	189,410	2,680,976
Improvements Other Than Buildings	7,816,586	262,460	-	8,079,046
	<u>34,405,715</u>	<u>633,633</u>	<u>189,410</u>	<u>34,849,938</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Structures	3,538,638	309,420	-	3,848,058
Underground Systems	3,429,999	137,570	189,410	3,378,159
Machinery, Equipment and Vehicles	1,792,338	198,572	-	1,990,910
Improvements Other Than Buildings	1,836,931	223,728	-	2,060,659
	<u>10,597,906</u>	<u>869,290</u>	<u>189,410</u>	<u>11,277,786</u>
Total Other Capital Assets	<u>23,807,809</u>	<u>(235,657)</u>	-	<u>23,572,152</u>
Total Capital Assets	<u>\$ 26,084,499</u>	<u>\$ (235,657)</u>	<u>\$ 22,057</u>	<u>\$ 25,826,785</u>

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2006**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities – Continued**

Depreciation expense was charged to business-type activities as follows:

Waterworks and Sewerage	\$ 824,788
Parking	<u>44,502</u>
	<u>\$ 869,290</u>

**CONSTRUCTION COMMITMENT**

The Village has entered into the following contract for the construction of facilities as follows:

	Expended To Date	Remaining Commitment
Hanover Park Headquarters Fire Station	\$ 5,692,280	\$ 1,421,769

Financing for Hanover Park Headquarters Fire Station is provided by the prior year issuance of \$7,000,000 of General Obligation Bonds, dated November 1, 2004.

**INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #5	<u>\$ 36,079</u>

The purpose of the interfund receivables/payables are as follows:

- \$36,079 due from the Special Service Area #5 Fund to the General Fund. The balance represents funds transferred to cover fund expenditures during the fiscal year prior to the receipt of property tax levy revenues.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
 April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Advances

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Service Area #3	\$ 98,455
General Fund	Special Service Area #4	87,082
Waterworks and Sewerage	Central Equipment	1,126,139
Commuter Parking Lot	Central Equipment	56,266
		<u>\$ 1,367,942</u>

The purposes of the advances receivables/payables are as follows:

- \$98,455 advance from the General Fund to the Special Service Area #3 Fund. The balance represents money advanced to the Special Service Area #3 Fund to be used for expenditures within the area. The advance is to be repaid over a period of ten years via special service area taxes. This advance is scheduled to be repaid in full in January 2009.
- \$87,082 advance from the General Fund to the Special Service Area #4 Fund. The balance represents money advanced to the Special Service Area #4 Fund to be used for expenditures within the area. The advance is to be repaid over a period of ten years via special service area taxes. This advance is scheduled to be repaid in full in November 2009.
- \$1,126,139 advance from the Waterworks and Sewerage Fund to the Central Equipment Fund. The balance represents funds transferred for future purchases of vehicles and equipment for the Waterworks and Sewerage Fund.
- \$56,266 advance from the Municipal Railroad Parking Lot Fund to the Central Equipment Fund. The balance represents funds transferred for future purchases of vehicles and equipment for the Municipal Railroad Parking Lot Fund.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 379,012
Nonmajor Governmental	General	795,918
Nonmajor Governmental	Waterworks and Sewerage	71,488
		<u>1,246,418</u>

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2006**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued**

**Interfund Transfers – Continued**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**LONG-TERM DEBT**

**General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,600,000 General Obligation Bond Series of 2001, due in annual installments of \$250,000 to \$435,000 plus interest at 4.00% to 4.15% through December 1, 2011.	Debt Service	\$ 2,700,000	\$ -	\$ 340,000	\$ 2,360,000
\$5,210,000 General Obligation Refunding Bond Series of 2002, due in annual installments of \$530,000 to \$660,000 plus interest at 2.00% to 3.50% through December 1, 2011.	Debt Service	4,150,000	-	540,000	3,610,000

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$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, 2023.	Debt Service	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
		<u>\$ 13,850,000</u>	<u>\$ -</u>	<u>\$ 880,000</u>	<u>\$ 12,970,000</u>

Notes Payable

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for the governmental activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Note dated August 21, 2003, due in monthly installments of \$5,041, including interest at 2.57% through August 21, 2007.	General	\$ 136,632	\$ -	\$ 57,617	\$ 79,015
Note dated November 12, 2004, due in monthly installments of \$7,101, including interest at 2.75% through November 12, 2009.	Central Equipment	366,214	-	75,965	290,249
		<u>\$ 502,846</u>	<u>\$ -</u>	<u>\$ 133,582</u>	<u>\$ 369,264</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Tax Increment Financing Bonds

The Village issues bonds where the Village pledges incremental tax income derived from a separately created tax increment financing district. These bonds are not a general obligation of the Village but rather are a limited obligation secured only by the incremental revenues generated by the district. Tax increment financing bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Revenue Bond Series of 1987 (TIF #2)	Debt Service	\$ 1,725,000	\$ -	\$ 775,000	\$ 950,000
Tax Increment Revenue Bond Series of 1989 (TIF #2)	Debt Service	5,675,000	-	300,000	5,375,000
		\$ 7,400,000	\$ -	\$ 1,075,000	\$ 6,325,000

Illinois Environmental Protection Agency Loans (IEPA)

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
1997 IEPA Loan I	Waterworks and Sewerage	\$ 2,495,375	\$ -	\$ 177,485	\$ 2,317,890
2000 IEPA Loan II	Waterworks and Sewerage	1,395,082	-	81,448	1,313,634
		\$ 3,890,457	\$ -	\$ 258,933	\$ 3,631,524

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 1,310,582	\$ 58,278	\$ -	\$ 1,368,860	\$ -
Compensated Absences	758,665	204,514	102,257	860,922	43,046
General Obligation Bonds	13,850,000	-	880,000	12,970,000	910,000
Notes Payable	502,846	-	133,582	369,264	137,247
TIF Bonds	7,400,000	-	1,075,000	6,325,000	1,425,000
	<u>\$ 23,822,093</u>	<u>\$ 262,792</u>	<u>\$ 2,190,839</u>	<u>\$ 21,894,046</u>	<u>\$ 2,515,293</u>
<b>Business-type Activities</b>					
Compensated Absences	\$ 70,999	\$ 17,219	\$ 8,609	\$ 79,609	\$ 3,981
IEPA Loans	3,890,457	-	258,933	3,631,524	266,116
	<u>\$ 3,961,456</u>	<u>\$ 17,219</u>	<u>\$ 267,542</u>	<u>\$ 3,711,133</u>	<u>\$ 270,097</u>

Payments on the net pension obligation are made by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. Payments on the notes payable are made by the General Fund and the Central Equipment Fund. The Debt Service Fund makes payments on the tax increment financing bonds. Payments on the IEPA loans are made by the Waterworks and Sewerage Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$860,922 of internal service funds' compensated absences and \$290,249 of notes payable are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the Compensated Absences Fund, an internal service fund.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30	Governmental Activities					
	General Obligation Bonds		Notes Payable		Tax Increment Financing Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 910,000	\$ 485,326	\$ 137,247	\$ 8,460	\$ 1,425,000	\$ 306,179
2008	940,000	457,254	100,183	5,015	1,550,000	236,425
2009	970,000	425,168	82,584	2,629	3,350,000	241,251
2010	1,010,000	392,026	49,250	460	-	-
2011	1,045,000	357,324	-	-	-	-
2012	1,095,000	319,626	-	-	-	-
2013	420,000	278,474	-	-	-	-
2014	435,000	263,774	-	-	-	-
2015	450,000	248,549	-	-	-	-
2016	470,000	232,798	-	-	-	-
2017	485,000	215,878	-	-	-	-
2018	505,000	197,934	-	-	-	-
2019	530,000	178,744	-	-	-	-
2020	550,000	157,544	-	-	-	-
2021	575,000	135,544	-	-	-	-
2022	600,000	111,824	-	-	-	-
2023	630,000	86,325	-	-	-	-
2024	660,000	59,234	-	-	-	-
2025	690,000	30,360	-	-	-	-
Total	\$ 12,970,000	\$ 4,633,706	\$ 369,264	\$ 16,564	\$ 6,325,000	\$ 783,855

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities	
	IEPA Loans	
	Principal	Interest
2007	\$ 266,116	\$ 97,910
2008	273,500	90,528
2009	281,088	82,941
2010	288,886	75,141
2011	296,902	67,126
2012	305,140	58,888
2013	313,606	50,421
2014	322,308	41,719
2015	331,252	32,776
2016	340,444	23,584
2017	349,893	14,136
2018	111,376	6,162
2019	114,319	3,219
2020	36,694	482
Total	<u>\$ 3,631,524</u>	<u>\$ 645,033</u>

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

#### LONG-TERM DEBT – Continued

##### Legal Debt Margin

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

“The General Assembly may limit by law the amount and require referendum approval of debt to the 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 Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

##### Tax Increment Financing Bond Ordinance Disclosures

###### Barrington-Irving Tax Increment Revenue Bonds Restricted Accounts

The ordinance authorizing the issue of the Barrington-Irving Tax increment Revenue Bond Series of 1989 provided for the creation of separate accounts designated as bond principal and interest, bond principal and interest reserve and general, into which accounts there shall be credited all revenues of the system in accordance with the following priority:

- 1) Bond principal and interest: an amount sufficient to pay any interest and principal due within sixty days
- 2) Bond principal and interest reserve: an amount sufficient to pay any interest and principal due within the succeeding bond year
- 3) General: all remaining monies

A schedule of the breakdown by account is included in the supplemental section of the report.

##### Noncommitment Debt

Special service area bonds outstanding as of the date of this report totaled \$1,000,000. These bonds are not an obligation of the Village and are secured by the levy of an annual tax on the real property within the special service area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

## VILLAGE OF HANOVER PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2006

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#### NOTE 4 – OTHER INFORMATION

##### RISK MANAGEMENT

###### Intergovernmental Risk Management Agency (IRMA)

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

##### POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides certain health care insurance benefits for retired employees. In accordance with the personnel policy substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The retirees pay an annual premium that is equal to the actuarially determined costs for each plan year. Accordingly, no liability has been recorded for post-retirement health care benefits. The Village also provides COBRA health and dental benefits to all prior employees as required by federal law. The prior employee pays 100 percent of the premium.

##### DEFERRED COMPENSATION PLAN

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with legal requirements, the plan assets have been placed in trust for the benefit of the employees. Accordingly, the plan assets are not reported in these financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 4 – OTHER INFORMATION – Continued

**CONTINGENT LIABILITIES**

**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.

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

**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 (these amounts represent the Village's share of the principal and interest – "fixed costs").

Fiscal Year Ending April 30	Amount
2007	\$ 883,406
2008	900,794
2009	927,034
2010	1,021,940
2011	1,029,393
2012	1,048,022
2013	1,064,400
2014	1,408,287
2015	1,689,621
2016	<u>1,051,788</u>
	<u>\$ 11,024,685</u>

These amounts have been calculated using the Village's current allocation percentage of 9.90%. In future years, this allocation on percentage will be subject to change.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2006

### NOTE 4 – OTHER INFORMATION – Continued

#### JOINT VENTURES

##### Northwest Suburban Municipal Joint Action Water Agency (JAWA)

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, 2005 are as follows:

	Percent Share
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	8.00
	<u>100.00 %</u>

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued

Summary of financial positions as of April 30, 2005:

Current Assets	\$ 16,160,172	Current Liabilities	\$ 8,028,778
Noncurrent Assets		Long-Term Liabilities	<u>88,220,691</u>
Capital Assets	57,487,166		
Other Assets	<u>10,958,267</u>	Total Liabilities	<u>96,249,469</u>
Total Assets	<u>\$ 84,605,605</u>	Net Assets	<u>\$ (11,643,864)</u>

Summary of revenues, expenses and changes in net assets for the year ended April 30, 2005:

Operating Revenues	\$ 27,098,916
Operating Expenses	<u>20,630,781</u>
Operating Income	6,468,135
Nonoperating Revenue (Expenses)	<u>(3,653,305)</u>
Change in Net Assets	2,814,830
Net Assets - Beginning	<u>(14,458,694)</u>
Net Assets - Ending	<u>\$ (11,643,864)</u>

## VILLAGE OF HANOVER PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2006

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#### NOTE 4 – OTHER INFORMATION – Continued

##### JOINT VENTURES – Continued

##### Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued

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

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 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 \$2,582,895 to JAWA for the year ended April 30, 2006. All payments were paid from the Waterworks and Sewerage Fund. The Village’s share of net assets of JAWA was \$0 at April 30, 2006.

At April 30, 2005, the Northwest Suburban Municipal Joint Action Water Agency reported a negative net assets balance; therefore, as specified by APB 18, the Village’s investment in joint venture has been reduced to zero and the equity method of accounting has been suspended until such time as the joint venture returns to a positive equity position.

# VILLAGE OF HANOVER PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 2121 West Lake Street, Hanover Park, Illinois 60133-4398. IMRF also issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Plan Descriptions, Provisions and Funding Policies

##### Illinois Municipal Retirement System

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2005 was 8.99 percent for IMRF.

##### Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Sheriff's Law Enforcement Personnel – Continued

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 the IMRF as specified by statute. The employer contribution rate for the calendar year 2005 was 12.68 percent.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2005 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	25
Current Employees	
Vested	26
Nonvested	<u>19</u>
	<u>70</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan -- Continued

Covered employees are required 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, or transferred to a new police pension fund with another municipality. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Firefighters' Pension Fund

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2005 the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	10
Current Employees	
Vested	13
Nonvested	17
	<u>40</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement.

# VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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## NOTE 4 – OTHER INFORMATION - Continued

### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued

#### Plan Descriptions, Provisions and Funding Policies – Continued

##### Firefighters' Pension Plan – Continued

The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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, or is entitled to receive a pension upon attaining the age of 50 or more with 20 or more years of accumulated credible service. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

#### 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 employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

##### Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Significant Investments

There are no investments in any one organization that represent 5 percent or more of net assets available for benefits for the Police Pension Plan. Information for IMRF is not available.

##### Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

# VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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## NOTE 4 – OTHER INFORMATION - Continued

### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued

#### Annual Pension Cost and Net Pension Obligation

There was no net pension obligation for the IMRF plan. The pension liability for the Police and Firefighters' Pension Plans are as follows:

	Police Pension	Firefighters Pension	Total
Annual Required Contribution	\$ 952,015	\$ 326,724	\$ 1,278,739
Interest on Net Pension Obligation	73,630	27,940	101,570
Adjustment to Annual Required Contribution	(65,482)	(24,848)	(90,330)
Annual Pension Cost	960,163	329,816	1,289,979
Actual Contribution	884,932	346,769	1,231,701
Increase in the NPO	75,231	(16,953)	58,278
NPO - Beginning of Year	950,065	360,517	1,310,582
NPO - End of Year	\$ 1,025,296	\$ 343,564	\$ 1,368,860

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village's annual pension cost for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
<b>Contribution Rates</b>				
Employer	10.13%	13.83%	34.89%	23.20%
Employee	4.50%	6.50%	9.91%	9.455%
Annual Required Contribution	\$593,092	\$15,548	\$952,015	\$326,724
Contributions Made	\$593,092	\$15,548	\$1,124,952	\$367,369
Actuarial Valuation Date	12/31/2005	12/31/2005	4/30/2005	4/30/2005
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Closed Basis			
Remaining Amortization Period	10	10	29 Years	29 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market	Market	Market
<b>Actuarial Assumptions</b>				
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	.4 to 11.6%	5.00%	5.00%
Inflation Rate Included	4.00%	4.00%	3.50%	3.50%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%	3.00%

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued**

**Trend Information**

Employer annual required contributions (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2004	\$ 315,918	\$ 10,317	\$ 494,078	\$ 168,389
	2005	511,618	13,642	673,748	240,078
	2006	593,092	15,548	960,163	326,816
Actual Contributions	2004	315,918	10,317	483,420	164,761
	2005	511,618	13,642	884,932	346,769
	2006	593,092	15,548	1,124,952	367,369
Percentage of APC Contributed	2004	100.00%	100.00%	97.84%	97.85%
	2005	100.00%	100.00%	131.34%	144.44%
	2006	100.00%	100.00%	117.16%	112.41%
Net Pension Obligation	2004	-	-	759,737	285,200
	2005	-	-	950,065	360,517
	2006	-	-	1,025,296	343,564

## REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Information
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Employer Contributions
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Budgetary Comparison Schedule – General Fund
  
- Budgetary Comparison Schedule – Motor Fuel Tax Fund

### Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2006

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2000	\$ 13,934,802	\$ 12,126,689	114.91%	\$ (1,808,113)	\$ 4,904,261	(36.87)%
2001	14,940,438	13,334,920	112.04%	(1,605,518)	5,204,441	(30.85)%
2002	14,352,417	14,342,604	100.07%	(9,813)	5,377,043	(0.18)%
2003	15,043,997	16,597,291	90.64%	1,553,294	5,807,317	26.75%
2004	15,330,214	17,094,439	89.68%	1,764,225	5,690,966	31.00%
2005	16,813,591	18,827,877	89.30%	2,014,286	5,854,803	34.40%

VILLAGE OF HANOVER PARK, ILLINOIS

Sheriff's Law Enforcement Personnel

Required Supplementary Information

Schedule of Funding Progress

April 30, 2006

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2000	\$ 43,351	\$ 26,253	165.13%	\$ (17,098)	\$ 85,027	-20.11%
2001	59,032	34,996	168.68%	(24,036)	90,787	-26.48%
2002	79,949	67,491	118.46%	(12,458)	96,523	-12.91%
2003	98,293	97,028	101.30%	(1,265)	106,805	-1.18%
2004	121,124	122,305	99.03%	1,181	107,586	1.10%
2005	151,419	158,021	95.82%	6,602	112,419	5.87%

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress  
 April 30, 2006

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2000	\$ 10,954,974	\$ 14,299,856	76.61%	\$ 3,344,882	\$ 2,514,850	133.01%
2001	11,120,968	15,542,155	71.55%	4,421,187	2,479,364	178.32%
2002	10,759,150	16,048,736	67.04%	5,289,586	2,514,966	210.32%
2003	11,147,739	18,644,843	59.79%	7,497,104	2,669,442	280.85%
2004	11,970,812	21,294,166	56.22%	9,323,354	2,751,780	338.81%
2005	12,825,986	24,600,364	52.14%	11,774,378	2,777,082	423.98%

VILLAGE OF HANOVER PARK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2006

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2000	\$ 5,177,023	\$ 5,168,086	100.17%	\$ (8,937)	\$ 1,015,522	-0.88%
2001	5,305,561	5,850,876	90.68%	545,315	1,137,655	47.93%
2002	5,417,873	6,157,023	88.00%	739,150	1,144,765	64.57%
2003	5,542,606	7,223,201	76.73%	1,680,595	1,251,010	134.34%
2004	6,038,047	8,878,884	68.00%	2,840,837	1,421,560	199.84%
2005	6,504,039	9,270,905	70.16%	2,766,866	1,667,797	165.90%

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

April 30, 2006

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Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 261,887	\$ 261,887	100.00%
2001	251,895	251,895	100.00%
2002	246,269	246,269	100.00%
2003	315,918	315,918	100.00%
2004	511,618	511,618	100.00%
2005	593,092	593,092	100.00%

VILLAGE OF HANOVER PARK, ILLINOIS

Sheriff's Law Enforcement Personnel

Required Supplementary Information  
Employer Contributions  
April 30, 2006

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 10,067	\$ 10,067	100.00%
2001	9,667	9,667	100.00%
2002	10,724	10,724	100.00%
2003	10,317	10,317	100.00%
2004	13,642	13,642	100.00%
2005	15,548	15,548	100.00%

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information

Employer Contributions

April 30, 2006

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Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 369,039	\$ 369,021	100.00%
2002	426,100	426,073	100.01%
2003	516,701	516,612	100.02%
2004	483,420	483,420	100.00%
2005	884,932	664,932	133.09%
2006	1,124,952	952,015	118.17%

VILLAGE OF HANOVER PARK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Employer Contributions

April 30, 2006

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ -	\$ 62,290	0.00%
2002	63,713	102,097	62.40%
2003	149,500	149,484	100.01%
2004	164,761	164,761	100.00%
2005	346,769	236,769	146.46%
2006	367,369	326,724	112.44%

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 12,970,127	\$ 13,108,447	\$ 13,436,847
Licenses and permits	750,850	750,850	840,525
Intergovernmental	3,082,690	3,082,690	3,506,332
Charges for services	1,013,596	1,013,596	1,314,082
Fines and forfeits	492,125	492,125	615,398
Interest	171,600	171,600	193,425
Miscellaneous	493,415	493,415	664,949
Total Revenues	<u>18,974,403</u>	<u>19,112,723</u>	<u>20,571,558</u>
Expenditures			
General government	3,015,307	2,912,280	3,050,356
Public works	2,665,588	2,665,588	2,571,833
Public safety	12,061,069	12,377,678	12,289,563
Community development	896,567	896,567	861,554
Debt service			
Principal retirement	45,372	45,372	57,617
Interest and fiscal charges	-	-	2,159
Total Expenditures	<u>18,683,903</u>	<u>18,897,485</u>	<u>18,833,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>290,500</u>	<u>215,238</u>	<u>1,738,476</u>
Other Financing Sources (Uses)			
Transfers in	13,929	379,011	379,012
Transfers out	(1,025,174)	(1,176,674)	(795,918)
	<u>(1,011,245)</u>	<u>(797,663)</u>	<u>(416,906)</u>
Net Change in Fund Balance	<u>\$ (720,745)</u>	<u>\$ (582,425)</u>	1,321,570
Fund Balance - Beginning			<u>7,614,386</u>
Fund Balance - Ending			<u>\$ 8,935,956</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
Allotments	\$ 1,085,180	\$ 1,085,180	\$ 1,129,023
Interest	81,000	81,000	97,754
Miscellaneous	2,040	2,040	1,000
<b>Total Revenues</b>	<u>1,168,220</u>	<u>1,168,220</u>	<u>1,227,777</u>
<b>Expenditures</b>			
Highways and streets			
Materials and supplies	105,200	105,200	105,713
Street lighting	50,690	50,690	45,808
Repairs - streets and bridges	308,000	308,000	249,875
Maintenance agreements	26,520	26,520	22,030
Repairs - other equipment	4,000	4,000	678
Improvements other than buildings	1,072,435	1,072,435	775,826
<b>Total Expenditures</b>	<u>1,566,845</u>	<u>1,566,845</u>	<u>1,199,930</u>
Net Change in Fund Balance	<u>\$ (398,625)</u>	<u>\$ (398,625)</u>	27,847
Fund Balance - Beginning			<u>3,447,746</u>
Fund Balance - Ending			<u>\$ 3,475,593</u>

## **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.

**GOVERNMENTAL FUNDS**

### **General Fund**

The General Fund is a major governmental fund used to account for resources traditionally associated with the Village's operations that are not required legally or by sound financial management to be accounted for in another fund.

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property - general	\$ 7,027,177	\$ 7,165,497	\$ 7,210,193
Municipal sales	2,229,400	2,229,400	2,316,662
Home rule sales tax	817,700	817,700	875,884
Municipal utility - simplified telephone	1,022,000	1,022,000	1,102,424
Municipal utility - natural gas	199,900	199,900	198,668
Municipal utility - electric	405,200	405,200	434,467
Prepared food tax	1,033,000	1,033,000	1,057,701
Hotel/motel tax	34,750	34,750	39,848
Real estate transfer tax	201,000	201,000	201,000
	<u>12,970,127</u>	<u>13,108,447</u>	<u>13,436,847</u>
<b>Licenses and Permits</b>			
<b>Licenses</b>			
Business	82,800	82,800	88,268
Liquor	48,000	48,000	58,765
Contractor	40,200	40,200	41,085
Vendor/solicitor	550	550	280
Animal	2,000	2,000	1,800
<b>Permits</b>			
Building - DuPage	79,800	79,800	139,070
Building - Cook	111,000	111,000	124,262
Sign	4,000	4,000	4,298
<b>Fees</b>			
Penalties on licenses	10,000	10,000	11,503
Multi-family	44,500	44,500	46,920
Cable franchise fees	231,000	231,000	225,947
Solid waste franchise fees	97,000	97,000	98,327
	<u>750,850</u>	<u>750,850</u>	<u>840,525</u>
<b>Intergovernmental</b>			
Personal property replacement taxes	56,890	56,890	80,503
State income taxes	2,635,400	2,635,400	2,924,903
Local use taxes	390,400	390,400	455,002
Law enforcement block grant	-	-	13,553
IL EMA disaster grant	-	-	2,476
FEMA grant	-	-	24,985
Outreach grant	-	-	4,910
	<u>3,082,690</u>	<u>3,082,690</u>	<u>3,506,332</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Charges for Services</b>			
Printed materials	\$ 9,500	\$ 9,500	\$ 8,346
Ambulance fees	302,600	302,600	332,283
Vehicle maintenance fees	153,996	153,996	153,996
Plan review - engineering	2,000	2,000	2,671
Traffic study reimbursements	1,000	1,000	1,991
Plan review - community development	25,000	25,000	40,981
Building reinspection fees	4,500	4,500	8,764
Vehicle impoundment fees	468,000	468,000	757,000
Impact fees	45,500	45,500	6,500
CPR fees	1,500	1,500	1,550
	<u>1,013,596</u>	<u>1,013,596</u>	<u>1,314,082</u>
<b>Fines and Forfeitures</b>			
Traffic fines - DuPage	32,000	32,000	33,495
Traffic fines - Cook	130,000	130,000	174,829
Ordinance violations	275,000	275,000	350,899
Warning tickets	2,100	2,100	2,765
DUI fines	30,525	30,525	30,435
False alarm fines	22,500	22,500	22,975
	<u>492,125</u>	<u>492,125</u>	<u>615,398</u>
<b>Interest</b>	<u>171,600</u>	<u>171,600</u>	<u>193,425</u>
<b>Miscellaneous</b>			
Reimbursement - ILEOT Boards	-	-	7,195
Reimbursement - property damage	6,000	6,000	9,096
Reimbursement - police programs	-	-	500
Reimbursement - fire services	20,000	20,000	5,346
Reimbursement - DuPage County	15,000	15,000	14,959
Reimbursement - ILEAS	-	-	16,185
Reimbursement - miscellaneous	56,820	56,820	65,576
Rental income	180,195	180,195	231,356
Hazardous materials	-	-	20,599
Drug forfeiture revenue	10,000	10,000	5,938

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2006

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	Budget		Actual
	Original	Final	
Miscellaneous - Continued			
Fire district transfer	\$ 70,000	\$ 70,000	\$ 108,493
Corporate partnership program	15,000	15,000	13,850
Proceeds from sale of capital assets	50,000	50,000	79,090
Miscellaneous	70,400	70,400	86,766
	<u>493,415</u>	<u>493,415</u>	<u>664,949</u>
Total Revenues	<u>\$ 18,974,403</u>	<u>\$ 19,112,723</u>	<u>\$ 20,571,558</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>General Government</b>			
President and Board of Trustees	\$ 83,647	\$ 83,647	\$ 85,214
Village Clerk	88,113	88,113	88,689
Historical commission	1,135	1,135	48
Sister City committee	1,650	1,650	1,310
Citizens Corp Council committee	1,400	1,400	560
Development commission	1,975	1,975	978
Economic development committee	13,300	13,300	6,171
Village Manager	508,955	508,955	494,361
Legal department	191,846	191,846	195,099
Engineering department	270,959	270,959	287,547
Human resources department	310,659	310,659	345,766
Public information	89,300	89,300	79,284
Special events	11,919	11,919	7,598
Finance department administration	214,368	214,368	219,923
Collections	156,576	156,576	161,969
General accounting	147,732	147,732	139,354
Information technology	231,750	231,750	228,746
General administrative services	690,023	586,996	707,739
<b>Total General Government</b>	<b>3,015,307</b>	<b>2,912,280</b>	<b>3,050,356</b>
<b>Public Works</b>			
Administration	143,237	143,237	139,939
Streets	995,197	995,197	924,064
Forestry	490,483	490,483	481,429
Public buildings	386,565	386,565	377,247
Fleet services	650,106	650,106	649,154
<b>Total Public Works</b>	<b>2,665,588</b>	<b>2,665,588</b>	<b>2,571,833</b>
<b>Public Safety</b>			
Fire department	3,750,101	3,845,966	3,798,508

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department			
Administration	\$ 717,225	\$ 731,911	\$ 728,333
Patrol division	4,615,671	4,772,860	4,861,882
Investigations	1,090,755	1,130,114	1,098,959
Community services	193,722	198,647	204,455
Staff services	1,220,696	1,225,281	1,154,574
Emergency services	37,061	37,061	37,569
Community policing/code enforcement	435,838	435,838	405,283
	<u>8,310,968</u>	<u>8,531,712</u>	<u>8,491,055</u>
Total Public Safety	<u>12,061,069</u>	<u>12,377,678</u>	<u>12,289,563</u>
Community Development			
Economic development	219,042	219,042	215,159
Inspection services	677,525	677,525	646,395
	<u>896,567</u>	<u>896,567</u>	<u>861,554</u>
Total Community Development	<u>896,567</u>	<u>896,567</u>	<u>861,554</u>
Debt Service			
Principal retirement	45,372	45,372	57,617
Interest and fiscal charges	-	-	2,159
	<u>45,372</u>	<u>45,372</u>	<u>59,776</u>
Total Debt Service	<u>45,372</u>	<u>45,372</u>	<u>59,776</u>
Total Expenditures	<u>\$ 18,683,903</u>	<u>\$ 18,897,485</u>	<u>\$ 18,833,082</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government			
Boards and commissions			
President and Board of Trustees			
Salaries - part-time	\$ 20,400	\$ 20,400	\$ 19,800
State retirement	627	627	511
Social security	1,561	1,561	1,515
Office supplies and expense	825	825	729
Memberships and subscriptions	43,040	43,040	44,096
Materials and supplies	200	200	188
Miscellaneous	50	50	-
Postage	50	50	8
Consulting services	1,200	1,200	360
Legal services	7,425	7,425	8,722
Schools, conventions and meetings	5,914	5,914	7,397
Transportation	2,255	2,255	1,888
Special events	100	100	-
	<u>83,647</u>	<u>83,647</u>	<u>85,214</u>
Village Clerk			
Salaries - regular	56,487	56,487	55,330
State retirement	5,905	5,905	5,254
Social security	4,321	4,321	3,933
Employee insurance	5,360	5,360	4,848
Office supplies and expense	375	375	180
Memberships and subscriptions	315	315	334
Postage	1,000	1,000	605
Maintenance agreements	800	800	830
Legal service	2,000	2,000	-
Legal publications	6,000	6,000	8,723
Binding and printing	5,000	5,000	8,181
Schools, conventions and meetings	385	385	445
Transportation	165	165	26
	<u>88,113</u>	<u>88,113</u>	<u>88,689</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Boards and Commissions - Continued			
Historical commission			
Office supplies and expense	\$ 700	\$ 700	\$ -
Memberships and subscriptions	115	115	48
Postage	200	200	-
Schools, conventions and meetings	100	100	-
Transportation	20	20	-
	<u>1,135</u>	<u>1,135</u>	<u>48</u>
Sister City committee			
Office supplies and expense	100	100	16
Memberships and subscriptions	525	525	495
Postage	100	100	9
Schools, conventions and meetings	775	775	775
Special events	150	150	15
	<u>1,650</u>	<u>1,650</u>	<u>1,310</u>
Citizens Corp council			
Office supplies and expense	200	200	-
Memberships and subscriptions	200	200	-
Books, publications, and maps	50	50	-
Materials and supplies	250	250	12
Small tools	100	100	-
Postage	200	200	-
Schools, conventions and meetings	400	400	548
	<u>1,400</u>	<u>1,400</u>	<u>560</u>
Development commission			
Overtime compensation	750	750	542
State retirement	27	27	54
Social security	38	38	41
Office supplies and expense	150	150	19
Memberships and subscriptions	260	260	145

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Boards and Commissions - Continued			
Development commission - Continued			
Books, publications and maps	\$ 225	\$ 225	\$ -
Miscellaneous	50	50	-
Postage	100	100	67
Schools, conventions and meetings	375	375	110
	<u>1,975</u>	<u>1,975</u>	<u>978</u>
Economic development committee			
Office supplies and expense	150	150	27
Miscellaneous	50	50	-
Postage	1,200	1,200	635
Consulting services	5,000	5,000	-
Schools, conventions and meetings	100	100	-
Special events	6,800	6,800	5,509
	<u>13,300</u>	<u>13,300</u>	<u>6,171</u>
Total Boards and Commissions	<u>191,220</u>	<u>191,220</u>	<u>182,970</u>
Administrative Services			
Village Manager			
Salaries - regular	285,160	285,160	294,110
Overtime compensation	50	50	31
State retirement	29,814	29,814	31,029
Social security	20,108	20,108	19,136
Employee insurance	67,730	67,730	59,633
Office supplies and expense	850	850	647
Memberships and subscriptions	4,070	4,070	3,914
Books, publications and maps	50	50	96
Gasoline and lube	585	585	621
Materials and supplies	100	100	32
Miscellaneous	100	100	2
Postage	350	350	337
Repairs - office equipment	50	50	-
Maintenance agreements	260	260	267
Vehicle maintenance	3,493	3,493	3,493

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative services - Continued			
Village Manager - Continued			
Consulting services	\$ 1,000	\$ 1,000	\$ 4,477
Legal services	90,800	90,800	72,385
Schools, conventions and meetings	3,735	3,735	3,371
Transportation	625	625	780
Miscellaneous	25	25	-
	<u>508,955</u>	<u>508,955</u>	<u>494,361</u>
Legal department			
Salaries - regular	126,648	126,648	135,039
State retirement	13,239	13,239	13,510
Social security	8,947	8,947	8,256
Employee insurance	30,604	30,604	26,881
Office supplies and expense	120	120	94
Memberships and subscriptions	1,388	1,388	864
Books, publications and maps	7,445	7,445	6,887
Miscellaneous	50	50	-
Postage	200	200	190
Maintenance agreements	245	245	225
Consulting services	100	100	101
Schools, conventions and meetings	2,295	2,295	2,380
Transportation	565	565	672
	<u>191,846</u>	<u>191,846</u>	<u>195,099</u>
Engineering department			
Salaries - regular	175,633	175,633	189,541
Overtime compensation	3,150	3,150	3,442
State retirement	18,689	18,689	19,590
Social security	13,677	13,677	13,855
Employee insurance	36,616	36,616	38,478
Office supplies and expense	1,500	1,500	1,176
Membership and subscriptions	474	474	442
Books, publications and maps	175	175	-
Gasoline and lube	4,130	4,130	4,894
Materials and supplies	700	700	662

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative services - Continued			
Engineering department - Continued			
Uniforms	\$ 200	\$ 200	\$ 194
Safety and protective equipment	200	200	115
Small tools	100	100	828
Miscellaneous	50	50	50
Postage	250	250	541
Repairs - office equipment	100	100	-
Repairs - communication equipment	25	25	326
Maintenance agreements	2,247	2,247	1,830
Vehicle maintenance	6,673	6,673	6,673
Consulting services	2,810	2,810	2,926
Engineering services	1,000	1,000	-
Schools, conventions and meetings	2,510	2,510	1,730
Transportation	50	50	254
	<u>270,959</u>	<u>270,959</u>	<u>287,547</u>
Human resources department			
Salaries - regular	161,259	161,259	162,186
Salaries - part time	-	-	2,186
Overtime compensation	2,000	2,000	2,192
State retirement	17,066	17,066	17,196
Social security	12,489	12,489	12,432
Employee insurance	33,438	33,438	23,964
Office supplies and expense	1,500	1,500	2,269
Memberships and subscriptions	1,293	1,293	1,139
Books, publications and maps	100	100	758
Materials and supplies	2,050	2,050	2,015
Employee recognition	22,956	22,956	22,147
Postage	2,300	2,300	1,697
Repairs - office equipment	-	-	160
Maintenance agreements	4,921	4,921	4,914
Equipment rentals	-	-	3,369
Consulting services	16,707	16,707	20,463
Legal services	10,000	10,000	44,923
Medical examinations	12,500	12,500	9,278

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative services - Continued			
Human resources department - Continued			
Legal publications	\$ 5,000	\$ 5,000	\$ 6,754
Schools, conventions and meetings	4,480	4,480	5,084
Transportation	600	600	640
	<u>310,659</u>	<u>310,659</u>	<u>345,766</u>
Public information			
Salaries - regular	21,578	21,578	21,785
Overtime compensation	-	-	22
State retirement	2,256	2,256	2,262
Social security	1,651	1,651	1,691
Employee insurance	3,156	3,156	3,338
Office supplies and expense	100	100	93
Memberships and subscriptions	250	250	244
Materials and supplies	1,145	1,145	1,155
Photo supplies	1,710	1,710	1,589
Postage	11,011	11,011	10,045
Maintenance agreements	6,210	6,210	4,290
Consulting services	11,400	11,400	8,530
Binding and printing	28,000	28,000	23,316
Schools, conventions and meetings	800	800	795
Transportation	33	33	71
Special events	-	-	58
	<u>89,300</u>	<u>89,300</u>	<u>79,284</u>
Special events			
Special events	11,919	11,919	7,598
	<u>1,383,638</u>	<u>1,383,638</u>	<u>1,409,655</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance department			
Administration			
Salaries - regular	\$ 146,701	\$ 146,701	\$ 153,432
Salaries - part-time	540	540	511
Overtime compensation	200	200	-
State retirement	15,413	15,413	15,937
Social security	11,280	11,280	11,394
Employee insurance	20,816	20,816	19,527
Office supplies and expense	475	475	236
Memberships and subscriptions	1,485	1,485	1,550
Books, publications and maps	150	150	98
Miscellaneous commodities	25	25	-
Repairs - office equipment	100	100	-
Maintenance agreements	163	163	65
Consulting services	9,100	9,100	8,490
Schools, conventions and meetings	3,550	3,550	3,365
Transportation	1,005	1,005	1,115
Miscellaneous	3,365	3,365	4,203
	<u>214,368</u>	<u>214,368</u>	<u>219,923</u>
Collections			
Salaries - regular	89,256	89,256	90,710
Salaries - part-time	16,574	16,574	19,873
State retirement	11,063	11,063	11,973
Social security	8,096	8,096	8,955
Employee insurance	12,820	12,820	9,975
Office supplies and expense	12,800	12,800	15,278
Postage	4,995	4,995	4,982
Maintenance agreements	267	267	223
Schools, conventions and meetings	640	640	-
Transportation	65	65	-
	<u>156,576</u>	<u>156,576</u>	<u>161,969</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance department - Continued			
General accounting			
Salaries - regular	\$ 84,580	\$ 84,580	\$ 82,384
Overtime compensation	1,000	1,000	191
State retirement	8,946	8,946	8,991
Social security	6,547	6,547	6,720
Employee insurance	13,702	13,702	11,952
Office supplies and expense	900	900	152
Memberships and subscriptions	180	180	180
Books, publications and maps	100	100	-
Miscellaneous commodities	25	25	-
Postage	2,900	2,900	2,574
Repairs - office equipment	100	100	-
Maintenance agreements	1,222	1,222	1,235
Equipment rentals	600	600	600
Consulting services	1,400	1,400	-
Auditing services	16,900	16,900	16,015
Binding and printing	2,400	2,400	996
Schools, conventions and meetings	525	525	478
Transportation	105	105	167
Collection service fee	-	-	184
Miscellaneous	5,600	5,600	6,535
	<u>147,732</u>	<u>147,732</u>	<u>139,354</u>
Information technology			
Salaries - regular	87,098	87,098	86,110
Overtime compensation	4,000	4,000	3,283
State retirement	9,522	9,522	10,186
Social security	6,969	6,969	7,601
Employee insurance	13,926	13,926	12,175
Office supplies and expense	37,500	37,500	28,974
Memberships and subscriptions	1,000	1,000	1,144
Books, publications and maps	250	250	97
Materials	7,000	7,000	6,901
Small tools	1,500	1,500	1,518

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance department - Continued			
Information technology - Continued			
Repairs - office equipment	\$ 400	\$ 400	\$ 45
Maintenance agreements	49,410	49,410	51,572
Consulting services	8,000	8,000	16,226
Schools, conventions and meetings	5,000	5,000	2,689
Miscellaneous	175	175	225
	<u>231,750</u>	<u>231,750</u>	<u>228,746</u>
General administrative services			
Salaries - regular	103,027	-	-
Performance bonus	19,555	19,555	10,325
State retirement	7,052	7,052	-
Social security	9,378	9,378	-
Special pension	36,409	36,409	43,264
Unemployment compensation	18,698	18,698	23,977
Telephone	41,380	41,380	36,559
Liability insurance	403,524	403,524	334,923
Equipment rentals	19,000	19,000	16,831
Legal services	10,000	10,000	-
Shelter, Inc.	3,000	3,000	3,000
Kasper program	5,000	5,000	-
Park District - youth programs	2,500	2,500	2,500
W.A.Y.S.	1,500	1,500	1,500
Contingency	10,000	10,000	234,860
	<u>690,023</u>	<u>586,996</u>	<u>707,739</u>
Total Finance Department	<u>1,440,449</u>	<u>1,337,422</u>	<u>1,457,731</u>
Total General Government	<u>3,015,307</u>	<u>2,912,280</u>	<u>3,050,356</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works Department			
Public works			
Administration			
Salaries - regular	\$ 95,788	\$ 95,788	\$ 96,696
Overtime compensation	300	300	35
State retirement	10,044	10,044	9,782
Social security	7,351	7,351	6,752
Employee insurance	20,678	20,678	18,197
Office supplies and expense	1,200	1,200	1,561
Memberships and subscriptions	401	401	394
Books, publications and maps	100	100	-
Gasoline and lube	85	85	(2)
Postage	500	500	236
Repairs - office equipment	50	50	55
Repairs - communication equipment	50	50	-
Maintenance agreements	2,340	2,340	1,516
Schools, conventions and meetings	3,000	3,000	3,419
Transportation	350	350	298
IEPA discharge fee	1,000	1,000	1,000
	<u>143,237</u>	<u>143,237</u>	<u>139,939</u>
Streets			
Salaries - regular	475,336	475,336	437,986
Salaries - part-time	17,887	17,887	5,941
Overtime compensation	28,500	28,500	27,581
On call premium pay	2,560	2,560	1,540
State retirement	52,934	52,934	46,707
Social security	40,107	40,107	35,376
Employee insurance	109,070	109,070	101,773
Office supplies and expense	100	100	98
Memberships and subscriptions	101	101	104
Books, publications and maps	100	100	-
Gasoline and lube	19,745	19,745	20,978
Materials and supplies	61,590	61,590	65,156
Uniforms	3,750	3,750	3,016

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works Department - Continued			
Public works - Continued			
Streets - Continued			
Safety and protective equipment	\$ 3,460	\$ 3,460	\$ 4,049
Small tools	1,675	1,675	694
Miscellaneous	75	75	113
Repairs - communication equipment	75	75	122
Repairs - streets and bridges	37,800	37,800	37,265
Repairs - other equipment	400	400	-
Equipment rental	4,150	4,150	-
Vehicle maintenance	133,582	133,582	133,582
Schools, conventions and meetings	2,050	2,050	1,767
Transportation	150	150	216
	<u>995,197</u>	<u>995,197</u>	<u>924,064</u>
Forestry			
Salaries - regular	183,057	183,057	185,683
Salaries - part-time	17,223	17,223	8,707
Overtime compensation	3,500	3,500	5,274
On call premium pay	300	300	483
State retirement	19,533	19,533	18,998
Social security	15,612	15,612	14,876
Employee insurance	47,724	47,724	41,865
Office supplies and expense	100	100	57
Memberships and subscriptions	150	150	150
Books, publications and maps	75	75	-
Gasoline and lube	5,380	5,380	7,075
Materials and supplies	4,200	4,200	3,655
Parts and accessories	4,500	4,500	1,637
Uniforms	1,550	1,550	984
Safety and protective equipment	1,800	1,800	1,331
Small tools	1,175	1,175	446
Repairs - communication equipment	50	50	-
Repairs - buildings	3,500	3,500	2,238
Repairs - streets and bridges	150,000	150,000	157,376

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works Department - Continued			
Public works - Continued			
Forestry - Continued			
Repairs - other equipment	\$ 100	\$ 100	\$ -
Equipment rental	150	150	-
Vehicle maintenance	30,304	30,304	30,304
Schools, conventions and meetings	500	500	290
	<u>490,483</u>	<u>490,483</u>	<u>481,429</u>
Public buildings			
Salaries - regular	142,609	142,609	132,221
Salaries - part-time	27,290	27,290	28,259
Overtime compensation	7,000	7,000	13,153
On call premium pay	853	853	731
State retirement	15,728	15,728	14,141
Social security	13,599	13,599	12,741
Employee insurance	54,926	54,926	45,190
Office supplies and expense	1,600	1,600	1,553
Books, publications and maps	50	50	-
Gasoline and lube	2,580	2,580	2,241
Materials and supplies	37,000	37,000	41,726
Cleaning supplies	13,500	13,500	13,279
Parts and accessories	8,500	8,500	11,214
Uniforms	2,800	2,800	1,940
Safety and protective equipment	1,700	1,700	912
Small tools	2,500	2,500	2,237
Miscellaneous	25	25	-
Repairs - communication equipment	50	50	-
Repairs - buildings	20,000	20,000	20,910
Repairs - other equipment	300	300	-
Maintenance agreements	19,460	19,460	19,662
Equipment rental	100	100	-
Vehicle maintenance	13,195	13,195	13,195
Schools, conventions and meetings	1,200	1,200	1,942
	<u>386,565</u>	<u>386,565</u>	<u>377,247</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works Department - Continued			
Public works - Continued			
Fleet services			
Salaries - regular	\$ 315,621	\$ 315,621	\$ 314,393
Overtime compensation	6,600	6,600	5,686
State retirement	33,683	33,683	33,433
Social security	24,650	24,650	24,903
Employee insurance	63,742	63,742	54,818
Office supplies and expense	500	500	545
Membership and subscriptions	1,260	1,260	1,024
Books, publications and maps	1,900	1,900	296
Gasoline and lube	7,645	7,645	8,112
Auto parts and accessories	69,000	69,000	82,966
Communication parts	1,300	1,300	1,646
Materials and supplies	14,500	14,500	13,970
Parts and accessories	20,500	20,500	15,064
Uniforms	750	750	419
Safety and protective equipment	1,450	1,450	1,641
Small tools	7,400	7,400	5,406
Photo supplies	25	25	-
Postage	50	50	-
Repairs - auto equipment	45,000	45,000	48,643
Repairs - office equipment	50	50	-
Repairs - communication equipment	500	500	270
Repairs - other equipment	9,000	9,000	11,291
Maintenance agreements	100	100	-
Equipment rental	13,000	13,000	11,123
Vehicle maintenance	2,000	2,000	2,000
Medical examinations	250	250	-
Uniform rentals	2,600	2,600	2,926
Testing services	800	800	1,050
Schools, conventions and meetings	4,680	4,680	4,729
Transportation	550	550	662
Miscellaneous	1,000	1,000	2,138
	<u>650,106</u>	<u>650,106</u>	<u>649,154</u>
Total Public Works	2,665,588	2,665,588	2,571,833

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety			
Fire department			
Salaries - regular	\$ 1,691,123	\$ 1,746,343	\$ 1,929,712
Salaries - part-time	325,000	325,000	227,109
Overtime compensation	284,000	284,000	226,806
State retirement	5,151	5,151	5,062
Social security	51,165	51,165	49,316
Fire pension	326,724	367,369	367,369
Employee insurance	463,112	463,112	362,095
Unemployment insurance	7,791	7,791	9,990
Office supplies and expense	3,000	3,000	3,878
Memberships and subscriptions	8,110	8,110	5,955
Books, publications and maps	4,300	4,300	498
Gasoline and lube	18,400	18,400	26,276
Automotive parts	15,000	15,000	22,211
Communication parts	4,675	4,675	13,311
Bulk chemicals	3,250	3,250	3,781
Materials and supplies	8,700	8,700	11,200
Cleaning supplies	7,065	7,065	9,710
Parts and accessories	6,560	6,560	8,380
Uniforms	13,150	13,150	23,750
Safety and protective equipment	5,545	5,545	14,641
Small tools	6,439	6,439	6,719
Photo supplies	400	400	7
Miscellaneous	100	100	1,587
Telephone	20,135	20,135	19,770
Postage	875	875	1,273
Liability insurance	71,532	71,532	61,044
Auto equipment maintenance	15,000	15,000	17,093
Office equipment maintenance	1,500	1,500	1,455
Communication equipment maintenance	1,300	1,300	1,005
Building maintenance	12,000	12,000	5,817
Maintenance agreements	17,262	17,262	11,306
Other equipment maintenance	1,000	1,000	729

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Fire department - Continued</b>			
Equipment rentals	\$ 57,522	\$ 57,522	\$ 56,160
Vehicle maintenance and replacement	228,339	228,339	228,339
Consulting services	19,120	19,120	11,517
Legal services	5,000	5,000	12,962
Medical examinations	7,610	7,610	2,993
Legal publications	1,000	1,000	1,940
Schools, conventions and meetings	30,076	30,076	33,167
Transportation	950	950	1,137
Special events	900	900	90
Miscellaneous	220	220	1,348
<b>Total Fire Department</b>	<b>3,750,101</b>	<b>3,845,966</b>	<b>3,798,508</b>
<b>Police department</b>			
<b>Administration</b>			
Salaries - regular	420,285	420,285	425,615
Overtime compensation	100	100	6,091
State retirement	19,621	19,621	19,601
Social security	31,019	31,019	29,849
Police pension	80,849	95,535	95,535
Employee insurance	88,906	88,906	74,689
Memberships and subscriptions	4,940	4,940	4,835
Books, publications and maps	159	159	125
Gasoline and lube	2,830	2,830	1,893
Materials and supplies	350	350	738
Uniforms	1,000	1,000	1,655
Small tools	100	100	46
Vehicle maintenance	2,720	2,720	2,720
Consulting services	14,060	14,060	13,204
Schools, conventions and meetings	9,061	9,061	9,588
Transportation	600	600	427
Local law enforcement block grant	-	-	5,141

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department			
Administration - Continued			
Special events	\$ 50	\$ 50	\$ -
Drug forfeiture expense	10,000	10,000	5,938
DUI expense	30,525	30,525	30,435
Miscellaneous	50	50	208
	<u>717,225</u>	<u>731,911</u>	<u>728,333</u>
Patrol division			
Salaries - regular	2,428,166	2,459,196	2,498,162
Salaries - part time	32,767	32,767	24,960
Overtime compensation	213,484	218,480	345,857
Court appearances	88,049	88,049	73,375
Holiday pay	77,841	77,841	76,904
Employee incentive	21,622	21,622	10,059
State retirement	28,377	28,377	28,857
Social security	204,594	204,594	219,515
Police pension	666,999	788,162	788,162
Employee insurance	552,148	552,148	479,968
Memberships and subscriptions	4,720	4,720	5,021
Books, publications and maps	400	400	200
Gasoline and lube	70,800	70,800	80,756
Ammunition	9,617	9,617	8,569
Materials and supplies	3,034	3,034	3,106
Uniforms	32,038	32,038	28,523
Safety and protective equipment	-	-	14,710
Small tools	5,214	5,214	5,466
Repairs - other equipment	500	500	1,505
Vehicle maintenance	126,492	126,492	126,492
Medical examinations	525	525	1,570
Schools, conventions and meetings	38,803	38,803	31,004
Transportation	9,356	9,356	9,086
Miscellaneous	125	125	55
	<u>4,615,671</u>	<u>4,772,860</u>	<u>4,861,882</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department - Continued			
Investigations			
Salaries - regular	\$ 577,028	\$ 585,261	\$ 544,310
Overtime compensation	60,631	62,846	124,517
Court appearances	12,000	12,000	9,781
Holiday pay	19,202	19,202	15,723
Compensation adjustment	4,600	4,600	3,986
State retirement	5,798	5,798	5,006
Social security	51,520	51,520	51,643
Police pension	159,153	188,064	188,064
Employee insurance	165,330	165,330	127,233
Memberships and subscriptions	9,115	9,115	6,805
Books, publications and maps	150	150	-
Gasoline and lube	3,190	3,190	4,168
Uniforms	3,200	3,200	2,124
Small tools	190	190	476
Repairs - office equipment	25	25	260
Repairs - other equipment	50	50	-
Vehicle maintenance	8,796	8,796	8,796
Medical examinations	250	250	85
Schools, conventions and meetings	8,552	8,552	5,177
Transportation	1,950	1,950	758
Miscellaneous	25	25	47
	<u>1,090,755</u>	<u>1,130,114</u>	<u>1,098,959</u>
Community services			
Salaries - regular	113,236	114,434	116,266
Salaries - part-time	-	-	962
Overtime compensation	1,000	1,135	11,176
Holiday pay	2,276	2,276	2,236
State retirement	5,189	5,189	5,060
Social security	8,914	8,914	9,170
Police pension	19,772	23,364	23,364
Employee insurance	29,662	29,662	25,976
Memberships and subscriptions	345	345	328

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department - Continued			
Community services - Continued			
Books, publications and maps	\$ 25	\$ 25	\$ 21
Gasoline and lube	415	415	470
Materials and supplies	4,700	4,700	2,744
Uniforms	565	565	328
Small tools	700	700	103
Repairs - other equipment	25	25	-
Vehicle maintenance	3,962	3,962	3,962
Consulting services	2,400	2,400	1,925
Schools, conventions and meetings	386	386	364
Transportation	50	50	-
Miscellaneous	100	100	-
	<u>193,722</u>	<u>198,647</u>	<u>204,455</u>
Staff services			
Salaries - regular	363,130	363,130	366,940
Salaries - part-time	124,392	124,392	96,239
Overtime compensation	12,000	12,000	16,386
Holiday pay	3,568	3,568	5,697
State retirement	30,428	30,428	29,513
Social security	38,485	38,485	37,220
Police pension	25,242	29,827	29,827
Employee insurance	120,204	120,204	71,788
Office supplies and expense	5,500	5,500	6,842
Memberships and subscriptions	492	492	105
Books, publications and maps	25	25	-
Communications parts	1,850	1,850	1,555
Materials and supplies	5,575	5,575	6,211
Uniforms	2,142	2,142	2,129
Small tools	100	100	117
Evidence	2,750	2,750	2,416
Photo supplies	2,600	2,600	2,316
Miscellaneous	75	75	32

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department - Continued			
Staff services - Continued			
Telephone	\$ 22,950	\$ 22,950	\$ 30,878
Postage	9,115	9,115	19,414
Repairs - office equipment	100	100	390
Repairs - communication equipment	2,225	2,225	2,651
Maintenance agreements	32,437	32,437	21,605
Equipment rentals	403,332	403,332	388,854
Consulting services	7,100	7,100	13,123
Medical examinations	100	100	-
Binding and printing	800	800	1,110
Schools, conventions and meetings	3,829	3,829	1,208
Transportation	100	100	8
Miscellaneous	50	50	-
	<u>1,220,696</u>	<u>1,225,281</u>	<u>1,154,574</u>
Emergency services			
Salaries - regular	11,259	11,259	11,509
State retirement	1,604	1,604	1,614
Social security	861	861	735
Employee insurance	1,536	1,536	1,355
Office supplies and expense	100	100	10
Memberships and subscriptions	55	55	-
Books, publications and maps	125	125	5,053
Materials and supplies	10,003	10,003	11,762
Small tools	100	100	-
Postage	50	50	-
Repairs - office equipment	50	50	-
Repairs - communication equipment	100	100	-
Repairs - other equipment	2,500	2,500	2,023
Equipment rental	1,560	1,560	1,461
Schools, conventions and meetings	7,133	7,133	2,047
Transportation	25	25	-
	<u>37,061</u>	<u>37,061</u>	<u>37,569</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police department - Continued			
Community policing/code enforcement			
Salaries - regular	\$ 253,067	\$ 253,067	\$ 257,217
Salaries - part-time	45,502	45,502	37,096
Overtime compensation	10,000	10,000	7,053
Court appearances	2,018	2,018	546
Holiday pay	4,114	4,114	3,284
State retirement	27,954	27,954	27,890
Social security	24,075	24,075	23,583
Employee insurance	46,576	46,576	29,218
Office supplies and expense	1,030	1,030	574
Memberships and subscriptions	150	150	165
Books, publications and maps	100	100	-
Gasoline and lube	7,740	7,740	10,959
Uniforms	2,357	2,357	2,115
Small tools	700	700	560
Photo supplies	100	100	-
Miscellaneous	350	350	241
Maintenance agreements	6,200	6,200	3,065
Consulting services	1,000	1,000	398
Binding and printing	500	500	168
Schools, conventions and meetings	2,205	2,205	1,151
Transportation	100	100	-
	<u>435,838</u>	<u>435,838</u>	<u>405,283</u>
 Total Police Department	 8,310,968	 8,531,712	 8,491,055
 Total Public Safety	 <u>12,061,069</u>	 <u>12,377,678</u>	 <u>12,289,563</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Community Development			
Community development department			
Economic development			
Salaries - regular	\$ 113,357	\$ 113,357	\$ 113,802
Salaries - part-time	4,001	4,001	2,425
Overtime compensation	750	750	186
State retirement	11,928	11,928	12,023
Social security	9,035	9,035	8,680
Employee insurance	15,838	15,838	13,822
Office supplies and expense	2,200	2,200	1,189
Memberships and subscriptions	2,571	2,571	3,443
Books, publications and maps	150	150	-
Miscellaneous	25	25	-
Postage	1,000	1,000	711
Maintenance agreements	650	650	450
Consulting services	50,000	50,000	49,851
Binding and printing	100	100	-
Schools, conventions and meetings	5,342	5,342	6,488
Transportation	1,375	1,375	1,597
Special events	720	720	492
	<u>219,042</u>	<u>219,042</u>	<u>215,159</u>
Inspection services			
Salaries - regular	424,299	424,299	438,165
Salaries - part-time	9,855	9,855	5,658
Overtime compensation	15,000	15,000	2,075
State retirement	45,921	45,921	44,649
Social security	34,361	34,361	33,333
Employee insurance	112,506	112,506	88,797
Office supplies and expense	910	910	813
Memberships and subscriptions	1,310	1,310	1,278
Books, publications and maps	1,275	1,275	6,663
Gasoline and lube	2,400	2,400	2,559
Uniforms	1,500	1,500	1,580

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Community Development - Continued			
Community Development - Continued			
Inspection services - Continued			
Safety and protective equipment	\$ 480	\$ 480	\$ 386
Photo supplies	150	150	863
Miscellaneous	50	50	50
Vehicle maintenance	10,404	10,404	10,404
Consulting services	10,000	10,000	3,247
Binding and printing	2,500	2,500	2,676
Schools, conventions and meetings	4,204	4,204	2,856
Transportation	400	400	343
	<u>677,525</u>	<u>677,525</u>	<u>646,395</u>
Total Community Development	896,567	896,567	861,554
Debt Service			
Principal retirement	45,372	45,372	57,617
Interest and fiscal charges	-	-	2,159
	<u>45,372</u>	<u>45,372</u>	<u>59,776</u>
Total Debt Service	45,372	45,372	59,776
Total Expenditures	<u>\$ 18,683,903</u>	<u>\$ 18,897,485</u>	<u>\$ 18,833,082</u>

## **OTHER MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

**Motor Fuel Tax Fund:** The Motor Fuel Tax Fund is used to account for the revenues and expenditures 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**

**TIF #2 Bond Series of 1987 and 1989 Fund:** The TIF #2 Bond Series of 1987 and 1989 Fund is used to account for the accumulation of monies for the payment of \$4,275,000 Barrington-Irving tax increment revenue bonds, series 1987 until maturity in 2007 and \$8,100,000 Barrington-Irving tax increment revenue bonds, series 1989 until maturity in 2009. These bonds were issued to finance improvements in the Barrington-Irving Redevelopment Project Area. Financing is being provided by incremental revenues from real property taxes and sales taxes. The bonds are a limited liability of the Village and are secured by 100% of the incremental property taxes generated in the project area.

### **CAPITAL PROJECTS FUND**

**2004 Capital Projects Fund:** The 2004 Capital Projects Fund is used to account for the construction of a new Headquarters Fire Station funded by the proceeds of the General Obligation Bonds, Series 2004.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Tax Increment Financing #2 Bond Series of 1987 and 1989 - Debt Service Fund**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 1,358,000	\$ 1,358,000	\$ 1,681,956
Sales tax	100,000	100,000	117,219
Interest	40,000	40,000	128,441
Total Revenues	<u>1,498,000</u>	<u>1,498,000</u>	<u>1,927,616</u>
Expenditures			
Debt service			
Principal retirement	1,075,000	1,075,000	1,075,000
Interest and fiscal charges	383,822	383,822	382,395
Total Expenditures	<u>1,458,822</u>	<u>1,458,822</u>	<u>1,457,395</u>
Net Change in Fund Balance	<u>\$ 39,178</u>	<u>\$ 39,178</u>	470,221
Fund Balance - Beginning			<u>3,644,634</u>
Fund Balance - Ending			<u>\$ 4,114,855</u>

VILLAGE OF HANOVER PARK, ILLINOIS

2004 Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 80,800	\$ 80,800	\$ 171,912
Miscellaneous	22,225	22,225	3,175
Total Revenues	103,025	103,025	175,087
Expenditures			
Capital outlay			
Building improvements	5,718,490	5,718,490	4,894,038
Net Change in Fund Balance	<u>\$ (5,615,465)</u>	<u>\$ (5,615,465)</u>	(4,718,951)
Fund Balance - Beginning			<u>5,930,574</u>
Fund Balance - Ending			<u>\$ 1,211,623</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND

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

### DEBT SERVICE FUNDS

**General Obligation Bond Series of 2001 Fund:** This fund is used to account for the accumulation of monies or the payment of \$3,600,000 General Obligation Bonds, Series 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 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 2004 Fund:** This fund is used to accumulate monies for the payment of the \$7,000,000 General Obligation Bond Series of 2004 until maturity in 2023. 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 FUNDS

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

## NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

### CAPITAL PROJECTS FUNDS – CONTINUED

**Tax Increment Financing #4 Fund:** This fund is used to account for the 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 financing of public improvements and scavenger and snow removal services for multifamily 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 financing of public improvements and scavenger and snow removal services for multifamily housing units located on Mark Thomas and Leslie Lanes. Funding is provided by taxes to be levied 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 financing of public improvements and scavenger and snow removal services for multifamily 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.”

**Capital Projects Fund:** The Capital Projects Fund is used to account for capital improvements funded by the General Obligation Bonds, series 2001.

**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 provided from transfers from other funds.

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2006

	Special Revenue			
	Road and Bridge	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and investments	\$ 597,170	\$ 943,392	\$ 3,093,630	\$ 4,634,192
Receivables - net				
Property taxes	100,000	817,098	455,738	1,372,836
Accrued interest	5,625	6,013	25,857	37,495
Due from other governments	-	-	100,000	100,000
<b>Total Assets</b>	<b>\$ 702,795</b>	<b>\$ 1,766,503</b>	<b>\$ 3,675,225</b>	<b>\$ 6,144,523</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 434	\$ -	\$ 212,739	\$ 213,173
Due to other funds	-	-	36,079	36,079
Advances from other funds	-	-	185,537	185,537
Unearned revenues	130,000	817,098	410,128	1,357,226
<b>Total Liabilities</b>	<b>130,434</b>	<b>817,098</b>	<b>844,483</b>	<b>1,792,015</b>
Fund Balances				
Reserved - capital outlay	-	-	180,705	180,705
Reserved - community development	-	-	634,594	634,594
Reserved - debt service	-	949,405	-	949,405
Reserved - highways and streets	572,361	-	-	572,361
Unreserved	-	-	2,015,443	2,015,443
<b>Total Fund Balances</b>	<b>572,361</b>	<b>949,405</b>	<b>2,830,742</b>	<b>4,352,508</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 702,795</b>	<b>\$ 1,766,503</b>	<b>\$ 3,675,225</b>	<b>\$ 6,144,523</b>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended April 30, 2006

	Special Revenue			
	Road and Bridge	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 91,168	\$ 1,585,490	\$ 650,158	\$ 2,326,816
Intergovernmental	100,000	-	129,987	229,987
Interest	12,939	30,134	106,254	149,327
Miscellaneous	-	-	390,222	390,222
Total Revenues	204,107	1,615,624	1,276,621	3,096,352
Expenditures				
Community development	-	-	324,617	324,617
Highways and streets	15,793	-	-	15,793
Capital outlay	-	-	1,584,377	1,584,377
Debt service				
Principal retirement	-	880,000	-	880,000
Interest and fiscal charges	-	528,509	-	528,509
Total Expenditures	15,793	1,408,509	1,908,994	3,333,296
Excess (Deficiency) of Revenues Over (Under) Expenditures	188,314	207,115	(632,373)	(236,944)
Other Financing Sources (Uses)				
Transfers in	-	-	867,406	867,406
Transfers out	-	-	(379,012)	(379,012)
	-	-	488,394	488,394
Net Change in Fund Balances	188,314	207,115	(143,979)	251,450
Fund Balances - Beginning	384,047	742,290	2,974,721	4,101,058
Fund Balances - Ending	\$ 572,361	\$ 949,405	\$ 2,830,742	\$ 4,352,508

VILLAGE OF HANOVER PARK, ILLINOIS

Road and Bridge - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 107,000	\$ 107,000	\$ 88,937
Personal property replacement taxes	1,425	1,425	2,231
Intergovernmental			
Grant	-	-	100,000
Interest	15,000	15,000	12,939
Total Revenues	<u>123,425</u>	<u>123,425</u>	<u>204,107</u>
Expenditures			
Highways and streets			
Engineering services	24,000	24,000	9,572
Improvements other than buildings	225,000	225,000	6,221
Total Expenditures	<u>249,000</u>	<u>249,000</u>	<u>15,793</u>
Net Change in Fund Balance	<u>\$ (125,575)</u>	<u>\$ (125,575)</u>	188,314
Fund Balance - Beginning			<u>384,047</u>
Fund Balance - Ending			<u>\$ 572,361</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Debt Service Funds

Combining Balance Sheet

April 30, 2006

	General Obligation Bond Series of 2001	General Obligation Refunding Bond Series of 2002	General Obligation Bond Series of 2004	Totals
<b>ASSETS</b>				
Cash and investments	\$ 120,571	\$ 766,871	\$ 55,950	\$ 943,392
Receivables - net				
Property taxes	411,570	151,655	253,873	817,098
Accrued interest	76	5,937	-	6,013
Total Assets	<u>\$ 532,217</u>	<u>\$ 924,463</u>	<u>\$ 309,823</u>	<u>\$ 1,766,503</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Unearned revenues	\$ 411,570	\$ 151,655	\$ 253,873	\$ 817,098
Fund Balances				
Reserved - debt service	120,647	772,808	55,950	949,405
Total Liabilities and Fund Balances	<u>\$ 532,217</u>	<u>\$ 924,463</u>	<u>\$ 309,823</u>	<u>\$ 1,766,503</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended April 30, 2006

	General Obligation Bond Series of 2001	General Obligation Refunding Bond Series of 2002	General Obligation Bond Series of 2004	Totals
<b>Revenues</b>				
Taxes	\$ 460,136	\$ 829,735	\$ 295,619	\$ 1,585,490
Interest	7,162	21,795	1,177	30,134
Total Revenues	467,298	851,530	296,796	1,615,624
<b>Expenditures</b>				
Debt service				
Principal retirement	340,000	540,000	-	880,000
Interest and fiscal charges	110,653	122,764	295,092	528,509
Total Expenditures	450,653	662,764	295,092	1,408,509
Net Change in Fund Balances	16,645	188,766	1,704	207,115
Fund Balances - Beginning	104,002	584,042	54,246	742,290
Fund Balances - Ending	\$ 120,647	\$ 772,808	\$ 55,950	\$ 949,405

VILLAGE OF HANOVER PARK, ILLINOIS

General Obligation Bond Series 2001 - Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 451,452	\$ 451,452	\$ 460,136
Interest	3,900	3,900	7,162
Total Revenues	<u>455,352</u>	<u>455,352</u>	<u>467,298</u>
Expenditures			
Debt service			
Principal retirement	355,000	355,000	340,000
Interest and fiscal charges	97,452	97,452	110,653
Total Expenditures	<u>452,452</u>	<u>452,452</u>	<u>450,653</u>
Net Change in Fund Balance	<u>\$ 2,900</u>	<u>\$ 2,900</u>	16,645
Fund Balance - Beginning			<u>104,002</u>
Fund Balance - Ending			<u>\$ 120,647</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Obligation Refunding Bond Series 2002 - Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 166,350	\$ 166,350	\$ 169,380
Real estate transfer tax	386,500	386,500	660,355
Interest	10,500	10,500	21,795
Total Revenues	<u>563,350</u>	<u>563,350</u>	<u>851,530</u>
Expenditures			
Debt service			
Principal retirement	555,000	555,000	540,000
Interest and fiscal charges	111,700	111,700	122,764
Total Expenditures	<u>666,700</u>	<u>666,700</u>	<u>662,764</u>
Net Change in Fund Balance	<u>\$ (103,350)</u>	<u>\$ (103,350)</u>	188,766
Fund Balance - Beginning			<u>584,042</u>
Fund Balance - Ending			<u>\$ 772,808</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Obligation Bond Series 2004 - Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 278,474	\$ 278,474	\$ 295,619
Interest	1,200	1,200	1,177
Total Revenues	<u>279,674</u>	<u>279,674</u>	<u>296,796</u>
Expenditures			
Debt service			
Interest and fiscal charges	302,980	302,980	295,092
Net Change in Fund Balance	<u>\$ (23,306)</u>	<u>\$ (23,306)</u>	1,704
Fund Balance - Beginning			<u>54,246</u>
Fund Balance - Ending			<u>\$ 55,950</u>

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2006**

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**See Following Page**

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2006

	Tax Increment Financing #3	Tax Increment Financing #4
<b>ASSETS</b>		
Cash and investments	\$ 638,191	\$ 10,757
Receivables - net		
Property taxes	-	45,610
Accrued interest	5,536	
Due from other governments	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 643,727</u>	<u>\$ 56,367</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,133	\$ 75,814
Due to other funds	-	-
Advances from other funds	-	-
Unearned revenues	-	-
Total Liabilities	<hr/> 9,133	<hr/> 75,814
<b>Fund Balances</b>		
Reserved - capital outlay	-	-
Reserved - community development	634,594	-
Unreserved	-	(19,447)
Total Fund Balances	<hr/> 634,594	<hr/> (19,447)
	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 643,727</u>	<u>\$ 56,367</u>

Special Service Area #3	Special Service Area #4	Special Service Area #5	Capital Projects	General Capital Projects	Totals
\$ 68,859	\$ 41,606	\$ -	\$ 33,256	\$ 2,300,961	\$ 3,093,630
40,032	36,529	333,567	-	-	455,738
-	-	-	-	20,321	25,857
-	-	-	-	100,000	100,000
<u>\$ 108,891</u>	<u>\$ 78,135</u>	<u>\$ 333,567</u>	<u>\$ 33,256</u>	<u>\$ 2,421,282</u>	<u>\$ 3,675,225</u>
\$ 1,653	\$ -	\$ -	\$ 33,256	\$ 92,883	\$ 212,739
-	-	36,079	-	-	36,079
98,455	87,082	-	-	-	185,537
40,032	36,529	333,567	-	-	410,128
<u>140,140</u>	<u>123,611</u>	<u>369,646</u>	<u>33,256</u>	<u>92,883</u>	<u>844,483</u>
-	-	-	-	180,705	180,705
-	-	-	-	-	634,594
(31,249)	(45,476)	(36,079)	-	2,147,694	2,015,443
<u>(31,249)</u>	<u>(45,476)</u>	<u>(36,079)</u>	<u>-</u>	<u>2,328,399</u>	<u>2,830,742</u>
<u>\$ 108,891</u>	<u>\$ 78,135</u>	<u>\$ 333,567</u>	<u>\$ 33,256</u>	<u>\$ 2,421,282</u>	<u>\$ 3,675,225</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended April 30, 2006

	Tax Increment Financing #3	Tax Increment Financing #4
Revenues		
Taxes	\$ 522,389	\$ -
Intergovernmental	-	-
Interest	13,880	345
Miscellaneous	1,373	95,610
Total Revenues	<u>537,642</u>	<u>95,955</u>
Expenditures		
Community development	33,285	216,902
Capital outlay	-	50,000
Total Expenditures	<u>33,285</u>	<u>266,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>504,357</u>	<u>(170,947)</u>
Other Financing Sources (Uses)		
Transfers in	-	151,500
Transfers out	<u>(365,082)</u>	<u>-</u>
	<u>(365,082)</u>	<u>151,500</u>
Net Change in Fund Balances	139,275	(19,447)
Fund Balances - Beginning	<u>495,319</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 634,594</u>	<u>\$ (19,447)</u>

Special Service Area #3	Special Service Area #4	Special Service Area #5	Capital Projects	General Capital Projects	Totals
\$ 76,499	\$ 51,270	\$ -	\$ -	\$ -	\$ 650,158
-	-	-	-	129,987	129,987
1,732	1,490	-	27,591	61,216	106,254
-	-	-	-	293,239	390,222
78,231	52,760	-	27,591	484,442	1,276,621
16,012	22,339	36,079	-	-	324,617
-	-	-	537,559	996,818	1,584,377
16,012	22,339	36,079	537,559	996,818	1,908,994
62,219	30,421	(36,079)	(509,968)	(512,376)	(632,373)
-	-	-	-	715,906	867,406
(7,525)	(6,405)	-	-	-	(379,012)
(7,525)	(6,405)	-	-	715,906	488,394
54,694	24,016	(36,079)	(509,968)	203,530	(143,979)
(85,943)	(69,492)	-	509,968	2,124,869	2,974,721
\$ (31,249)	\$ (45,476)	\$ (36,079)	\$ -	\$ 2,328,399	\$ 2,830,742

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #3 - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 280,000	\$ 280,000	\$ 522,389
Interest	7,500	7,500	13,880
Miscellaneous	-	-	1,373
Total Revenues	<u>287,500</u>	<u>287,500</u>	<u>537,642</u>
Expenditures			
Community development			
Contractual services			
Consulting	75,000	75,000	31,986
Engineering	-	-	1,299
Capital outlay			
Improvements other than buildings	47,500	47,500	-
Land purchases	30,000	30,000	-
Total Expenditures	<u>152,500</u>	<u>152,500</u>	<u>33,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,000	135,000	504,357
Other Financing (Uses)			
Transfers out	-	(365,082)	(365,082)
Net Change in Fund Balance	<u>\$ 135,000</u>	<u>\$ (230,082)</u>	139,275
Fund Balance - Beginning			<u>495,319</u>
Fund Balance - Ending			<u>\$ 634,594</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #4 - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Interest	\$ -	\$ -	\$ 345
Miscellaneous	-	-	95,610
Total Revenues	-	-	95,955
<b>Expenditures</b>			
Community development			
Contractual services			
Postage	-	1,500	793
Consulting	-	216,109	216,109
Capital outlay			
Building improvements	-	50,000	50,000
Total Expenditures	-	267,609	266,902
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(267,609)	(170,947)
Other Financing Sources			
Transfers in	-	-	151,500
Net Change in Fund Balance	\$ -	\$ (267,609)	(19,447)
Fund Balance - Beginning			-
Fund Balance - Ending			\$ (19,447)

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #3 - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 49,934	\$ 49,934	\$ 76,499
Interest	500	500	1,732
Total Revenues	50,434	50,434	78,231
Expenditures			
Community development			
Contractual services			
Equipment rentals	31,200	31,200	16,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,234	19,234	62,219
Other Financing (Uses)			
Transfers out	(7,525)	(7,525)	(7,525)
Net Change in Fund Balance	\$ 11,709	\$ 11,709	54,694
Fund Balance - Beginning			(85,943)
Fund Balance - Ending			\$ (31,249)

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #4 - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 45,890	\$ 45,890	\$ 51,270
Interest	600	600	1,490
Total Revenues	<u>46,490</u>	<u>46,490</u>	<u>52,760</u>
Expenditures			
Community development			
Contractual services			
Equipment rentals	32,200	32,200	22,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,290	14,290	30,421
Other Financing (Uses)			
Transfers out	(6,404)	(6,404)	(6,405)
Net Change in Fund Balance	<u>\$ 7,886</u>	<u>\$ 7,886</u>	24,016
Fund Balance - Beginning			<u>(69,492)</u>
Fund Balance - Ending			<u>\$ (45,476)</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #5 - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Expenditures			
Community development			
Contractual services			
Postage	-	600	769
Equipment rentals	-	-	27,310
Consulting services	-	42,000	8,000
Total Expenditures	-	42,600	36,079
Net Change in Fund Balance	\$ -	\$ (42,600)	(36,079)
Fund Balance - Beginning			-
Fund Balance - Ending			<u>\$ (36,079)</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 16,050	\$ 16,050	\$ 27,591
Expenditures			
Capital outlay			
Improvements	521,000	537,559	537,559
Net Change in Fund Balance	<u>\$ (504,950)</u>	<u>\$ (521,509)</u>	(509,968)
Fund Balance - Beginning			<u>509,968</u>
Fund Balance - Ending			<u>\$ -</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 158,909	\$ 158,909	\$ 129,987
Interest	50,100	50,100	61,216
Miscellaneous	793,500	793,500	293,239
Total Revenues	<u>1,002,509</u>	<u>1,002,509</u>	<u>484,442</u>
Expenditures			
Capital outlay			
Land	600,000	600,000	177,893
Buildings	652,000	602,000	171,774
Improvements	297,240	297,240	249,026
Office equipment	208,000	208,000	158,218
Office furniture and fixtures	50,000	50,000	66,709
Other equipment	202,065	202,065	173,198
Total Expenditures	<u>2,009,305</u>	<u>1,959,305</u>	<u>996,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,006,796)	(956,796)	(512,376)
Other Financing Sources			
Transfers in	<u>1,066,424</u>	<u>1,066,424</u>	<u>715,906</u>
Net Change in Fund Balance	<u>\$ 59,628</u>	<u>\$ 109,628</u>	<u>203,530</u>
Fund Balance - Beginning			<u>2,124,869</u>
Fund Balance - Ending			<u>\$ 2,328,399</u>

**PROPRIETARY FUNDS**

## ENTERPRISE FUNDS

**Waterworks and Sewerage Fund:** The Waterworks and Sewerage Fund is a major fund and 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 a nonmajor fund and is used to account for the provision of parking services to the residents of the Village of Hanover Park 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for services	\$ 7,410,930	\$ 7,410,930	\$ 7,452,531
Operating Expenses			
Administration	1,396,436	1,396,436	1,283,581
Operations			
Waterworks	3,807,623	3,807,623	3,599,729
Sewerage	1,415,746	1,415,746	1,350,991
Depreciation	760,440	760,440	824,788
Total Operating Expenses	7,380,245	7,380,245	7,059,089
Operating Income (Loss)	30,685	30,685	393,442
Nonoperating Revenues (Expenses)			
Interest income	95,800	95,800	136,374
Gain on disposal of capital assets	-	-	3,325
Interest expense	(105,095)	(105,095)	(108,193)
	(9,295)	(9,295)	31,506
Income (Loss) Before Transfers	21,390	21,390	424,948
Transfers out	(41,250)	(41,250)	(71,488)
Change in Net Assets	\$ (19,860)	\$ (19,860)	353,460
Net Assets - Beginning			26,168,428
Net Assets - Ending			\$ 26,521,888

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Revenues - Budget and Actual  
Year Ended April 30, 2006

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	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for services			
Water sales	\$ 4,343,810	\$ 4,343,810	\$ 4,451,988
Sewer service	2,493,110	2,493,110	2,419,122
Water penalties	144,000	144,000	154,388
Tap-on fees	278,300	278,300	338,977
Meter sales	29,290	29,290	27,807
Leachate treatment revenue	100,000	100,000	24,304
Miscellaneous	22,420	22,420	35,945
Total Operating Revenues	\$ 7,410,930	\$ 7,410,930	\$ 7,452,531

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VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operating Expenses			
Administration			
Salaries - regular	\$ 696,382	\$ 696,382	\$ 698,027
Salaries - part-time	27,483	27,483	26,471
Overtime wages	2,000	2,000	1,593
Performance bonuses	7,330	7,330	6,070
On call premium pay	300	300	-
State retirement	73,801	73,801	69,697
Social security	56,112	56,112	51,257
Employee insurance	143,572	143,572	119,343
Special pension	12,322	12,322	6,528
Unemployment compensation	4,675	4,675	5,994
Office supplies and expense	5,500	5,500	3,300
Memberships and subscriptions	2,895	2,895	2,796
Books, publications and maps	325	325	419
Miscellaneous	25	25	-
Telephone	19,055	19,055	14,061
Postage	21,798	21,798	21,007
Insurance - liability	205,589	205,589	162,090
Repairs - office equipment	100	100	45
Maintenance agreements	37,609	37,609	38,634
Repairs - other equipment	50	50	720
Equipment rental	5,960	5,960	5,460
AS400 computer	15,123	15,123	15,124
Consulting services	30,500	30,500	6,675
Auditing services	9,415	9,415	8,925
Schools, conventions and meetings	3,500	3,500	1,059
Transportation	70	70	70
Collection fees	100	100	-
Miscellaneous	14,845	14,845	18,216
Vehicles	-	-	104,734
	<u>1,396,436</u>	<u>1,396,436</u>	<u>1,388,315</u>
Less fixed assets capitalized	-	-	(104,734)
Total Administration	<u>1,396,436</u>	<u>1,396,436</u>	<u>1,283,581</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Waterworks			
Water treatment			
Salaries - regular	\$ 181,384	\$ 181,384	\$ 197,055
Overtime wages	11,000	11,000	13,636
On call premium pay	5,093	5,093	5,008
State retirement	20,643	20,643	21,036
Social security	15,107	15,107	16,147
Employee insurance	49,630	49,630	25,820
Office supplies and expense	350	350	267
Memberships and subscriptions	439	439	561
Books, publications and maps	200	200	238
Gasoline and lube	1,550	1,550	2,159
Bulk chemicals	2,000	2,000	2,870
Materials and supplies	10,160	10,160	14,525
Cleaning supplies	200	200	218
Uniforms	700	700	735
Safety and protective equipment	4,800	4,800	4,550
Small tools	150	150	160
Photo supplies	50	50	-
Telephone	15,120	15,120	14,017
Postage	740	740	334
Light and power	18,700	18,700	24,169
Natural gas	7,240	7,240	8,152
Repairs - office equipment	50	50	-
Repairs - communication equipment	50	50	-
Repairs - buildings	3,800	3,800	4,702
Maintenance agreements	12,240	12,240	12,078
Maintenance - other equipment	3,675	3,675	944
Maintenance - wells	4,000	4,000	-
Maintenance - water storage tanks	254,500	254,500	14,806
Equipment rental	50	50	-
Vehicle maintenance and replacement	14,792	14,792	8,306
Engineering services	7,000	7,000	1,702
Medical examinations	300	300	-
Testing services	18,884	18,884	14,912
Binding and printing	2,600	2,600	2,440
Schools, conventions and meetings	1,000	1,000	970
Transportation	60	60	-

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Waterworks - Continued			
Water treatment - Continued			
JAWA fixed and operating costs	\$ 2,470,748	\$ 2,470,748	\$ 2,582,895
Improvement other than buildings	25,000	25,000	40,613
Other equipment	20,000	20,000	18,744
	<u>3,184,005</u>	<u>3,184,005</u>	<u>3,054,769</u>
Less fixed assets capitalized	(25,000)	(25,000)	(31,483)
	<u>3,159,005</u>	<u>3,159,005</u>	<u>3,023,286</u>
Water maintenance			
Salaries - regular	170,085	170,085	174,905
Salaries - part-time	7,920	7,920	8,078
Overtime wages	29,000	29,000	48,613
On call premium pay	1,200	1,200	665
State retirement	20,936	20,936	22,193
Social security	15,928	15,928	17,783
Employee insurance	37,448	37,448	28,406
Gasoline and lube	6,800	6,800	7,953
Materials and supplies	35,000	35,000	30,834
Uniforms	950	950	169
Safety and protective equipment	795	795	576
Small tools	1,540	1,540	876
Photo supplies	50	50	-
Repairs - communication equipment	100	100	-
Maintenance and repairs - streets and bridges	9,500	9,500	3,939
Repairs - other equipment	400	400	490
Maintenance and repairs - water mains	12,000	12,000	17,055
Equipment rental	100	100	-
Vehicle maintenance and replacement	88,953	88,953	43,513
Testing services	3,000	3,000	2,661
Schools, conventions and meetings	1,600	1,600	672

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Waterworks - Continued			
Water maintenance - Continued			
Other equipment	\$ -	\$ -	\$ 5,000
Water mains	138,000	138,000	163,515
	581,305	581,305	577,896
Less fixed assets capitalized	(138,000)	(138,000)	(163,515)
	443,305	443,305	414,381
Water meter			
Salaries - regular	76,573	76,573	74,117
Overtime wages	10,250	10,250	11,418
On call premium pay	6,400	6,400	6,808
State retirement	9,744	9,744	10,737
Social security	7,132	7,132	7,114
Employee insurance	8,522	8,522	7,240
Office supplies and expense	400	400	408
Membership and subscriptions	291	291	75
Gasoline and lube	4,300	4,300	4,516
Materials and supplies	14,020	14,020	6,132
Uniforms	800	800	320
Safety and protective equipment	430	430	300
Small tools	95	95	375
Photo supplies	50	50	-
Resale merchandise	29,290	29,290	8,628
Postage	250	250	272
Repairs - maintenance agreements	7,500	7,500	7,375
Repairs - other equipment	100	100	331
Repairs - water meters	11,605	11,605	7,994
Vehicle maintenance and replacement	17,061	17,061	7,517
Schools, conventions and meetings	500	500	385
	205,313	205,313	162,062
Total Operations - Waterworks	3,807,623	3,807,623	3,599,729

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Sewerage			
Sewer treatment			
Salaries - regular	\$ 281,168	\$ 281,168	\$ 285,343
Salaries - part-time	5,242	5,242	4,760
Overtime wages	18,000	18,000	21,346
On call premium pay	5,335	5,335	4,945
State retirement	31,830	31,830	30,520
Social security	23,695	23,695	23,191
Employee insurance	95,280	95,280	83,589
Office supplies and expense	1,150	1,150	307
Membership and subscriptions	260	260	5,531
Books, publications and maps	70	70	80
Gasoline and lube	5,650	5,650	5,794
Bulk chemicals	6,350	6,350	5,542
Materials and supplies	12,500	12,500	21,528
Cleaning supplies	530	530	687
Parts and accessories	100	100	99
Uniforms	500	500	366
Safety and protective equipment	1,000	1,000	1,290
Small tools	250	250	437
Photo supplies	50	50	20
Telephone	13,920	13,920	13,815
Postage	180	180	425
Light and power	155,800	155,800	145,678
Natural gas	3,450	3,450	2,735
Repairs - communication equipment	50	50	-
Repairs - buildings	6,600	6,600	12,030
Maintenance agreements	1,540	1,540	950
Maintenance - sewer lines	10,000	10,000	10,736
Maintenance - other equipment	150	150	-
Maintenance - sewage treatment plant	52,000	52,000	58,920
Equipment rental	120,000	120,000	148,336
Vehicle maintenance and replacement	36,171	36,171	15,937
Engineering services	22,000	22,000	11,770
Testing services	5,500	5,500	4,731
Schools, conventions and meetings	1,800	1,800	1,587
IEPA discharge	18,000	18,000	17,500

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Sewerage - Continued			
Sewer treatment - Continued			
Transportation	\$ 300	\$ 300	\$ 169
Improvements other than buildings	-	-	31,483
Other equipment	10,000	10,000	6,948
Sewerage treatment plant	390,000	390,000	280,361
	1,336,421	1,336,421	1,259,486
Less fixed assets capitalized	(390,000)	(390,000)	(311,844)
	946,421	946,421	947,642
Sewer maintenance			
Salaries - regular	170,085	170,085	174,547
Salaries - part-time	20,217	20,217	23,231
Overtime wages	3,500	3,500	3,832
On call premium pay	1,500	1,500	1,875
State retirement	18,303	18,303	17,756
Social security	14,942	14,942	15,531
Employee insurance	37,344	37,344	27,487
Gasoline and lube	6,750	6,750	8,685
Materials and supplies	11,000	11,000	22,018
Parts and accessories	5,000	5,000	6,814
Uniforms	1,000	1,000	487
Safety and protective equipment	1,500	1,500	1,705
Small tools	100	100	30
Photo supplies	50	50	-
Repairs - communication equipment	60	60	-
Maintenance and repairs - streets and bridges	5,000	5,000	4,701
Repairs - other equipment	600	600	362
Maintenance and repairs - sewer lines	2,000	2,000	1,915
Vehicle maintenance and replacement	157,239	157,239	69,279
Schools, conventions and meetings	2,735	2,735	2,227
Transportation	400	400	142
Sewer lines	10,000	10,000	20,725
	469,325	469,325	403,349
Total Operations - Sewerage	1,415,746	1,415,746	1,350,991

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Debt service			
Principal retirement	\$ 258,934	\$ 258,934	\$ -
Interest expense	105,095	105,095	108,193
	364,029	364,029	108,193
Less Nonoperating Items			
Debt service	(364,029)	(364,029)	(108,193)
Total Debt Service	-	-	-
Total Operating Expenses	\$ 6,619,805	\$ 6,619,805	\$ 6,234,301

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	Ending Balances
Land	\$ 937,116	\$ -	\$ -	\$ 937,116
Buildings	12,568,138	-	-	12,568,138
Machinery and equipment	1,422,144	102,924	105,471	1,419,597
Vehicles	1,167,394	104,734	83,938	1,188,190
Underground systems	11,358,263	163,515	-	11,521,778
Improvements other than buildings	6,237,305	262,460	-	6,499,765
Construction in progress	22,057	-	22,057	-
	<u>\$ 33,712,417</u>	<u>\$ 633,633</u>	<u>\$ 211,466</u>	<u>\$ 34,134,584</u>

	Accumulated Depreciation			
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	Ending Balances
Buildings	\$ 3,538,637	\$ 309,421	\$ -	\$ 3,848,058
Machinery and equipment	949,296	41,124	105,471	884,949
Vehicles	800,350	84,246	83,939	800,657
Underground systems	3,429,998	198,573	-	3,628,571
Improvements other than buildings	1,306,840	191,424	-	1,498,264
	<u>\$ 10,025,121</u>	<u>\$ 824,788</u>	<u>\$ 189,410</u>	<u>\$ 10,660,499</u>

Net asset value	<u>\$ 23,687,296</u>	<u>\$ 23,474,085</u>
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VILLAGE OF HANOVER PARK, ILLINOIS

Municipal Railroad Parking Lot - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in  
Net Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operating revenues			
Charges for services			
Parking fees	\$ 254,000	\$ 254,000	\$ 250,413
Rental equipment	6,000	6,000	6,000
Total Operating Revenues	<u>260,000</u>	<u>260,000</u>	<u>256,413</u>
Operating Expenses			
Operations	375,372	375,372	305,428
Depreciation	39,253	39,253	44,502
Total Operating Expenses	<u>414,625</u>	<u>414,625</u>	<u>349,930</u>
Operating Income (Loss)	<u>(154,625)</u>	<u>(154,625)</u>	<u>(93,517)</u>
Nonoperating Revenues			
Interest income	9,100	9,100	7,563
Grants	36,000	36,000	-
	<u>45,100</u>	<u>45,100</u>	<u>7,563</u>
Change in Net Assets	<u>\$ (109,525)</u>	<u>\$ (109,525)</u>	<u>(85,954)</u>
Net Assets - Beginning			<u>2,735,012</u>
Net Assets - Ending			<u>\$ 2,649,058</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Municipal Railroad Parking Lot - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations			
Salaries - regular	\$ 144,356	\$ 144,356	\$ 138,109
Overtime salaries	8,000	8,000	9,631
Performance bonus	615	615	605
On call premium pay	130	130	17
State retirement	16,004	16,004	14,243
Social security	11,712	11,712	10,932
Employee insurance	50,482	50,482	36,463
Special pension	1,038	1,038	-
Office supplies and expense	1,250	1,250	860
Gasoline and lube	590	590	969
Bulk chemicals	5,000	5,000	-
Materials and supplies	8,000	8,000	7,518
Cleaning supplies	800	800	841
Small tools	100	100	-
Miscellaneous	100	100	-
Postage	300	300	240
Light and power	8,920	8,920	9,344
Natural gas	2,640	2,640	3,210
Liability insurance	13,005	13,005	12,613
Maintenance and repairs - building	-	-	3,000
Maintenance and repairs - street	55,000	55,000	39,001
Maintenance agreements	1,200	1,200	3,101
Vehicle maintenance and replacement	21,435	21,435	9,444
Real property rental	650	650	760
Consulting services	1,000	1,000	983
Auditing services	1,345	1,345	1,275
Miscellaneous	1,700	1,700	2,269
Improvements other than buildings	20,000	20,000	-
Total Operating Expenses	\$ 375,372	\$ 375,372	\$ 305,428

VILLAGE OF HANOVER PARK, ILLINOIS

Municipal Railroad Parking Lot - Enterprise Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			Ending Balances
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	
Land	\$ 1,317,517	\$ -	\$ -	\$ 1,317,517
Vehicles	73,190	-	-	73,190
Improvements other than buildings	1,579,280	-	-	1,579,280
	<u>\$ 2,969,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,969,987</u>
	Accumulated Depreciation			Ending Balances
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	
Vehicles	\$ 42,693	\$ 12,198	\$ -	\$ 54,891
Improvements other than buildings	530,092	32,304	-	562,396
	<u>\$ 572,785</u>	<u>\$ 44,502</u>	<u>\$ -</u>	<u>\$ 617,287</u>
Net asset value	<u>\$ 2,397,202</u>			<u>\$ 2,352,700</u>

## 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.

**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.

VILLAGE OF HANOVER PARK, ILLINOIS

Combining Statement of Net Assets

Internal Service Funds

April 30, 2006

	Central Equipment	Employee Compensated Absences	Totals
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 4,992,987	\$ 860,922	\$ 5,853,909
Receivables			
Accrued interest	50,200	-	50,200
	5,043,187	860,922	5,904,109
<b>Capital Assets</b>			
Depreciable	4,431,236	-	4,431,236
Accumulated Depreciation	(2,113,062)	-	(2,113,062)
	2,318,174	-	2,318,174
Total Assets	7,361,361	860,922	8,222,283
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	12,057	-	12,057
Interest payable	399	-	399
Compensated absences payable	-	43,046	43,046
Notes payable	78,110	-	78,110
	90,566	43,046	133,612
<b>Long-Term Liabilities</b>			
Compensated absences payable	-	817,876	817,876
Advances to other funds	1,182,405	-	1,182,405
Notes payable	212,139	-	212,139
	1,394,544	817,876	2,212,420
Total Liabilities	1,485,110	860,922	2,346,032
<b>NET ASSETS</b>			
<b>Invested in capital assets -</b>			
net of related debt	2,027,925	-	2,027,925
Unrestricted	3,848,326	-	3,848,326
Total Net Assets	\$ 5,876,251	\$ -	\$ 5,876,251

VILLAGE OF HANOVER PARK, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Net Assets

Internal Service Funds  
Year Ended April 30, 2006

	Central Equipment	Employee Compensated Absences	Totals
Operating Revenues			
Charges for services	\$ 569,960	\$ 102,256	\$ 672,216
Operating Expenses			
Operations	-	102,256	102,256
Depreciation	299,678	-	299,678
Total Operating Expenses	299,678	102,256	401,934
Operating Income	270,282	-	270,282
Nonoperating Revenues (Expenses)			
Interest	118,219	-	118,219
Other income	1,085	-	1,085
Loss on disposal of capital assets	(6,456)	-	(6,456)
Interest expense	(9,143)	-	(9,143)
	103,705	-	103,705
Change in Net Assets	373,987	-	373,987
Net Assets - Beginning	5,502,264	-	5,502,264
Net Assets - Ending	\$ 5,876,251	\$ -	\$ 5,876,251

VILLAGE OF HANOVER PARK, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds  
Year Ended April 30, 2006

	Central Equipment	Employee Compensated Absences	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 948,039	\$ 102,256	\$ 1,050,295
Payment to suppliers	(1,338)	-	(1,338)
	<u>946,701</u>	<u>102,256</u>	<u>1,048,957</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances from other funds	64,972	-	64,972
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital assets	(781,236)	-	(781,236)
Proceeds on disposal of capital assets	19,049	-	19,049
Principal paid on debt	(75,965)	-	(75,965)
Interest paid on debt	(9,143)	-	(9,143)
	<u>(847,295)</u>	<u>-</u>	<u>(847,295)</u>
<b>Cash Flows from Investing Activities</b>			
Interest received	118,219	-	118,219
<b>Net Change in Cash and Cash Equivalents</b>	<b>282,597</b>	<b>102,256</b>	<b>384,853</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>4,710,390</b>	<b>758,666</b>	<b>5,469,056</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 4,992,987</b>	<b>\$ 860,922</b>	<b>\$ 5,853,909</b>
<b>Reconciliation of Operating Income to Net Cash</b>			
<b>Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ 270,282	\$ -	\$ 270,282
<b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</b>			
Depreciation expense	299,678	-	299,678
Other income	1,085	-	1,085
(Increase) decrease in current assets	376,994	-	376,994
Increase (decrease) in current liabilities	(1,338)	102,256	100,918
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 946,701</b>	<b>\$ 102,256</b>	<b>\$ 1,048,957</b>

VILLAGE OF HANOVER PARK, ILLINOIS

Central Equipment - Internal Service Fund

Schedule of Revenues, Expenses, and Changes in  
Net Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for services	\$ 751,615	\$ 751,615	\$ 569,960
Operating Expenses			
Depreciation	-	-	299,678
Operating Income	751,615	751,615	270,282
Nonoperating Revenues (Expenses)			
Interest	98,400	98,400	118,219
Other income	-	-	1,085
Loss on disposal of capital assets	-	-	(6,456)
Interest expense	(85,213)	(85,213)	(9,143)
	13,187	13,187	103,705
Change in Net Assets	\$ 764,802	\$ 764,802	373,987
Net Assets - Beginning			5,502,264
Net Assets - Ending			\$ 5,876,251

VILLAGE OF HANOVER PARK, ILLINOIS

Central Equipment - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

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	Budget		Actual
	Original	Final	
Operations			
Fleet services			
Capital outlay			
Automobiles	\$ 124,100	\$ 201,395	\$ 194,757
Trucks	207,700	604,977	586,479
Other equipment	142,000	142,000	116,683
	<u>473,800</u>	<u>948,372</u>	<u>897,919</u>
Less fixed assets capitalized	<u>(473,800)</u>	<u>(948,372)</u>	<u>(897,919)</u>
Total Operating Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Central Equipment - Internal Service Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			Ending Balances
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	
Equipment	\$ 3,746,160	\$ 781,236	\$ 96,160	\$ 4,431,236

	Accumulated Depreciation			Ending Balances
	Beginning Balances	Additions/ Transfers	Retirements/ Transfers	
Equipment	\$ 1,884,039	\$ 299,678	\$ 70,655	\$ 2,113,062

Net asset value	\$ 1,862,121			\$ 2,318,174
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**FIDUCIARY FUNDS**

## TRUST AND AGENCY 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.

### AGENCY FUND

**Special Service Area Number Two Unlimited Tax Bond Fund:** The Special Service Area Number Two Unlimited Tax Bond Fund is used to account for the accumulation of monies for the payment of \$2,300,000 Special Service Area Number Two Unlimited Tax Bonds which are due in annual installments until maturity in 2009. These bonds were issued to finance public improvements on Tower, Barrington and Irving Park Roads. Financing is being provided by ad valorem taxes to be levied without limitation as to rate or amount upon the taxable property in the Village designated as the "Village of Hanover Park Special Service Area Number Two." These bonds are not general obligations of the Village, and neither the full faith and credit nor the taxing power of the Village is pledged to the payment thereof.

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Net Plan Assets

April 30, 2006

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 975,350	\$ 864,057	\$ 1,839,407
Investments			
U.S. government and agency obligations	7,383,845	3,485,382	10,869,227
Mutual funds	6,132,909	2,909,364	9,042,273
Receivables			
Accrued interest	92,051	39,085	131,136
Total Assets	14,584,155	7,297,888	21,882,043
<b>Liabilities</b>			
Accounts payable	-	2,363	2,363
<b>Net Assets</b>			
Held in trust for pension benefits (A schedule of funding progress is presented following the notes to the financial statements.)	\$ 14,584,155	\$ 7,295,525	\$ 21,879,680

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets  
Year Ended April 30, 2006

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - employer	\$ 1,124,952	\$ 367,369	\$ 1,492,321
Contributions - plan members	338,689	175,312	514,001
<b>Total Contributions</b>	<b>1,463,641</b>	<b>542,681</b>	<b>2,006,322</b>
<b>Investment income</b>			
Interest earned	452,417	220,382	672,799
Net change in fair value	879,994	377,826	1,257,820
	1,332,411	598,208	1,930,619
Less investment expenses	22,315	10,083	32,398
<b>Net investment income</b>	<b>1,310,096</b>	<b>588,125</b>	<b>1,898,221</b>
<b>Total Additions</b>	<b>2,773,737</b>	<b>1,130,806</b>	<b>3,904,543</b>
<b>Deductions</b>			
Administration	19,805	33,588	53,393
Benefits and refunds	995,763	305,732	1,301,495
<b>Total Deductions</b>	<b>1,015,568</b>	<b>339,320</b>	<b>1,354,888</b>
<b>Change in Net Assets</b>	<b>1,758,169</b>	<b>791,486</b>	<b>2,549,655</b>
<b>Net Assets - Beginning</b>	<b>12,825,986</b>	<b>6,504,039</b>	<b>19,330,025</b>
<b>Net Assets - Ending</b>	<b>\$ 14,584,155</b>	<b>\$ 7,295,525</b>	<b>\$ 21,879,680</b>

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - employer	\$ 952,015	\$ 952,015	\$ 1,124,952
Contributions - plan members	307,070	307,070	338,689
Total Contributions	<u>1,259,085</u>	<u>1,259,085</u>	<u>1,463,641</u>
<b>Investment income</b>			
Interest earned	342,500	342,500	452,417
Net change in fair value	384,000	384,000	879,994
	<u>726,500</u>	<u>726,500</u>	<u>1,332,411</u>
Less investment expenses	23,100	23,100	22,315
Net investment income	<u>703,400</u>	<u>703,400</u>	<u>1,310,096</u>
Total Additions	<u>1,962,485</u>	<u>1,962,485</u>	<u>2,773,737</u>
<b>Deductions</b>			
Administration	29,050	29,050	19,805
Benefits and refunds	961,600	995,763	995,763
Total Deductions	<u>990,650</u>	<u>1,024,813</u>	<u>1,015,568</u>
Change in Net Assets	<u>\$ 971,835</u>	<u>\$ 937,672</u>	1,758,169
Net Assets - Beginning			<u>12,825,986</u>
Net Assets - Ending			<u>\$ 14,584,155</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - employer	\$ 326,724	\$ 326,724	\$ 367,369
Contributions - plan members	160,150	160,150	175,312
Total Contributions	486,874	486,874	542,681
<b>Investment income</b>			
Interest earned	176,000	176,000	220,382
Net change in fair value	200,000	200,000	377,826
	376,000	376,000	598,208
Less investment expenses	12,500	12,500	10,083
Net investment income	363,500	363,500	588,125
Total Additions	850,374	850,374	1,130,806
<b>Deductions</b>			
Administration	30,150	30,150	33,588
Benefits and refunds	364,350	364,350	305,732
Total Deductions	394,500	394,500	339,320
Change in Net Assets	\$ 455,874	\$ 455,874	791,486
Net Assets - Beginning			6,504,039
Net Assets - Ending			\$ 7,295,525

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #2 - Agency Fund

Schedule of Changes in Assets and Liabilities  
Year Ended April 30, 2006

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and investments	\$ 385,877	\$ 279,176	\$ 277,961	\$ 387,092
Receivables				
Property taxes	23,517	32,483	-	56,000
Accrued interest	2,151	-	39	2,112
Total Assets	<u>\$ 411,545</u>	<u>\$ 311,659</u>	<u>\$ 278,000</u>	<u>\$ 445,204</u>
<b>LIABILITIES</b>				
Due to bondholders	<u>\$ 411,545</u>	<u>\$ 311,659</u>	<u>\$ 278,000</u>	<u>\$ 445,204</u>

## SUPPLEMENTAL SCHEDULES

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond Series of 2001

April 30, 2006

Date of Issue	July 1, 2001
Date of Maturity	December 1, 2011
Authorized Issue	\$3,600,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% - 4.15%
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	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2005	249-319	\$ 355,000	\$ 96,452	\$ 451,452	2006	\$ 48,226	2006	\$ 48,226
2006	320-393	370,000	82,254	452,254	2007	41,127	2007	41,127
2007	394-470	385,000	67,268	452,268	2008	33,634	2008	33,634
2008	471-550	400,000	51,676	451,676	2009	25,838	2009	25,838
2009	551-633	415,000	35,276	450,276	2010	17,638	2010	17,638
2010	634-720	435,000	18,054	453,054	2011	9,027	2011	9,027
		<u>\$ 2,360,000</u>	<u>\$ 350,980</u>	<u>\$ 2,710,980</u>	<u>\$ 175,490</u>		<u>\$ 175,490</u>	

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 2002  
April 30, 2006

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Date of Issue	December 15, 2002
Date of Maturity	December 1, 2011
Authorized Issue	\$5,210,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.50%
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	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2005	321-432	\$ 555,000	\$ 110,400	\$ 665,400	2006	\$ 55,200	2006	\$ 55,200
2006	433-547	570,000	96,526	666,526	2007	48,263	2007	48,263
2007	548-665	585,000	79,426	664,426	2008	39,713	2008	39,713
2008	666-788	610,000	61,876	671,876	2009	30,938	2009	30,938
2009	789-915	630,000	43,574	673,574	2010	21,787	2010	21,787
2010	916-1048	660,000	23,098	683,098	2011	11,549	2011	11,549
		<u>\$ 3,610,000</u>	<u>\$ 414,900</u>	<u>\$ 4,024,900</u>	<u>\$ 207,450</u>		<u>\$ 207,450</u>	

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond Series of 2004

April 30, 2006

Date of Issue	November 1, 2004
Date of Maturity	December 1, 2024
Authorized Issue	\$7,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% - 4.40%
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	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2005		\$ -	\$ 278,474	\$ 278,474	2006	\$ 139,237	2006	\$ 139,237
2006		-	278,474	278,474	2007	139,237	2007	139,237
2007		-	278,474	278,474	2008	139,237	2008	139,237
2008		-	278,474	278,474	2009	139,237	2009	139,237
2009		-	278,474	278,474	2010	139,237	2010	139,237
2010		-	278,474	278,474	2011	139,237	2011	139,237
2011	1-84	420,000	278,474	698,474	2012	139,237	2012	139,237
2012	85-171	435,000	263,774	698,774	2013	131,887	2013	131,887
2013	172-261	450,000	248,549	698,549	2014	124,274	2014	124,275
2014	262-355	470,000	232,798	702,798	2015	116,399	2015	116,399
2015	356-452	485,000	215,878	700,878	2016	107,939	2016	107,939
2016	453-553	505,000	197,934	702,934	2017	98,967	2017	98,967
2017	554-659	530,000	178,744	708,744	2018	89,372	2018	89,372
2018	660-769	550,000	157,544	707,544	2019	78,772	2019	78,772
2019	770-884	575,000	135,544	710,544	2020	67,772	2020	67,772
2020	885-1004	600,000	111,824	711,824	2021	55,912	2021	55,912
2021	1005-1130	630,000	86,325	716,325	2022	43,162	2022	43,163
2022	1131-1262	660,000	59,234	719,234	2023	29,617	2023	29,617
2023	1263-1400	690,000	30,360	720,360	2024	15,180	2024	15,180
		<u>\$ 7,000,000</u>	<u>\$ 3,867,826</u>	<u>\$ 10,867,826</u>	<u>\$ 1,933,912</u>		<u>\$ 1,933,914</u>	

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

Barrington-Irving Tax Increment Revenue Bond Series of 1987 (TIF #2)  
 April 30, 2006

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Date of Issue	October 1, 1987
Date of Maturity	January 1, 2007
Authorized Issue	\$4,275,000
Denomination of Bonds	\$5,000
Interest Rates	4.93%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	The Bank of New York

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2007	766-855	\$ 950,000	\$ 46,835	\$ 996,835	2006	\$ 23,417	2007	\$ 23,418

Note: Interest for this issue was fixed at an initial rate of 8.75%, and was adjusted to 6.51% on January 1, 1992, 6.63% on January 1, 1997 and to 4.93% on January 1, 2002.

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

Barrington-Irving Tax Increment Revenue Bond Series of 1989 (TIF #2)

April 30, 2006

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Date of Issue	December 21, 1989
Date of Maturity	December 1, 2009
Authorized Issue	\$8,100,000
Denomination of Bonds	\$5,000
Interest Rates	4.825%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	The Bank of New York

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2007	486-545	\$ 475,000	\$ 259,344	\$ 734,344	2006	\$ 129,672	2007	\$ 129,672
2008	546-640	1,550,000	236,425	1,786,425	2007	118,212	2008	118,213
2009	641-950	1,700,000	161,638	1,861,638	2008	80,819	2009	80,819
2009 *	951-1290	1,650,000	79,613	1,729,613	2009	39,808	*	39,805
		<u>\$ 5,375,000</u>	<u>\$ 737,020</u>	<u>\$ 6,112,020</u>	<u>\$ 368,511</u>		<u>\$ 368,509</u>	

\* December 1, 2009

Note: Interest for this issue was fixed at an initial rate of 8.125%, and was adjusted to 6.405% on January 1, 1992, 6.525% on January 1, 1997 and to 4.825% on January 1, 2002.

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

Notes Series of 2003

April 30, 2006

Date of Issue	August 21, 2003
Date of Maturity	August 21, 2007
Authorized Issue	\$229,543
Interest Rates	2.57%
Interest Dates	Monthly beginning September 21, 2003
Principal Maturity Date	August 21
Payable at	Charter National Bank and Trust

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on	
	Principal	Interest	Totals	Sept. 1	Amount
2007	\$ 59,137	\$ 1,358	\$ 60,495	2006	\$ 1,358
2008	19,878	107	19,985	2007	107
	<u>\$ 79,015</u>	<u>\$ 1,465</u>	<u>\$ 80,480</u>		<u>\$ 1,465</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

Notes Series of 2004

April 30, 2006

Date of Issue	November 11, 2004
Date of Maturity	November 11, 2009
Authorized Issue	\$397,277
Interest Rates	2.75%
Interest Dates	Monthly beginning December 12, 2004
Principal Maturity Date	Monthly beginning December 12, 2004
Payable at	Charter National Bank and Trust

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on	
	Principal	Interest	Totals	Dec. 1	Amount
2007	\$ 78,110	\$ 7,102	\$ 85,212	2006	\$ 7,102
2008	80,305	4,908	85,213	2007	4,908
2009	82,584	2,629	85,213	2008	2,629
2010	49,250	460	49,710	2009	460
	<u>\$ 290,249</u>	<u>\$ 15,099</u>	<u>\$ 305,348</u>		<u>\$ 15,099</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

1997 Illinois Environmental Protection Agency Note  
April 30, 2006

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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	Requirements			Interest Due on			
	Principal	Interest	Totals	Oct. 9	Amount	April 9	Amount
2007	\$ 182,517	\$ 63,973	\$ 246,490	2006	\$ 32,624	2007	\$ 31,349
2008	187,691	58,799	246,490	2007	30,055	2008	28,744
2009	193,012	53,479	246,491	2008	27,414	2009	26,065
2010	198,483	48,007	246,490	2009	24,697	2010	23,310
2011	204,110	42,381	246,491	2010	21,904	2011	20,477
2012	209,897	36,593	246,490	2011	19,030	2012	17,563
2013	215,846	30,644	246,490	2012	16,076	2013	14,568
2014	221,965	24,525	246,490	2013	13,038	2014	11,487
2015	228,257	18,233	246,490	2014	9,914	2015	8,319
2016	234,728	11,762	246,490	2015	6,701	2016	5,061
2017	241,384	5,107	246,491	2016	3,397	2017	1,710
	<u>\$ 2,317,890</u>	<u>\$ 393,503</u>	<u>\$ 2,711,393</u>		<u>\$ 204,850</u>		<u>\$ 188,653</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Long-Term Debt Requirements

2000 Illinois Environmental Protection Agency Note  
 April 30, 2006

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2007	\$ 83,599	\$ 33,937	\$ 117,536	2006	\$ 17,241	2007	\$ 16,696
2008	85,809	31,729	117,538	2007	16,144	2008	15,585
2009	88,076	29,462	117,538	2008	15,018	2009	14,444
2010	90,403	27,134	117,537	2009	13,862	2010	13,272
2011	92,791	24,745	117,536	2010	12,675	2011	12,070
2012	95,243	22,295	117,538	2011	11,458	2012	10,837
2013	97,760	19,777	117,537	2012	10,207	2013	9,570
2014	100,344	17,194	117,538	2013	8,924	2014	8,270
2015	102,995	14,543	117,538	2014	7,607	2015	6,936
2016	105,716	11,822	117,538	2015	6,256	2016	5,566
2017	108,509	9,029	117,538	2016	4,868	2017	4,161
2018	111,376	6,162	117,538	2017	3,444	2018	2,718
2019	114,319	3,219	117,538	2018	1,982	2019	1,237
2020	36,694	482	37,176	2019	482		
	<u>\$ 1,313,634</u>	<u>\$ 251,530</u>	<u>\$ 1,565,164</u>		<u>\$ 130,168</u>		<u>\$ 121,362</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Bond Compliance

Schedule of Changes in Fund Balance - Reserved - Restricted Accounts

Tax Increment Financing #2 Fund

Year Ended April 30, 2006

	Bond Principal and Interest	Bond Principal and Interest Reserve	General	Total
<b>Revenues</b>				
Taxes				
Property	\$ 1,883,955	\$ -	\$ -	\$ 1,883,955
Sales	117,219	-	-	117,219
Interest	128,441	-	-	128,441
Total Revenues	<u>2,129,615</u>	<u>-</u>	<u>-</u>	<u>2,129,615</u>
<b>Expenditures</b>				
Debt Service				
Principal retirement	1,075,000	-	-	1,075,000
Interest	358,861	-	-	358,861
Fiscal charges	23,532	-	-	23,532
Transfer to SSA #2	202,000	-	-	202,000
Total Expenditures	<u>1,659,393</u>	<u>-</u>	<u>-</u>	<u>1,659,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>470,222</u>	<u>-</u>	<u>-</u>	<u>470,222</u>
<b>Intrafund Transfers</b>				
Transfers in	-	288,780	207,784	496,564
Transfers out	(496,564)	-	-	(496,564)
	<u>(496,564)</u>	<u>288,780</u>	<u>207,784</u>	<u>-</u>
Net Change in Fund Balances	(26,342)	288,780	207,784	470,222
Fund Balances - Beginning - Reserved	<u>179,431</u>	<u>1,407,522</u>	<u>2,057,680</u>	<u>3,644,633</u>
Fund Balances - Ending - Reserved	<u>\$ 153,089</u>	<u>\$ 1,696,302</u>	<u>\$ 2,265,464</u>	<u>\$ 4,114,855</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF HANOVER PARK, ILLINOIS

Net Assets by Component - Last Four Fiscal Years  
April 30, 2006

	2003	2004	2005	2006
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 43,907,019	43,373,185	42,683,565	43,981,453
Restricted	9,620,148	7,768,707	9,059,013	9,605,788
Unrestricted	(3,617,350)	(1,778,238)	187,403	2,669,003
<b>Total Governmental Activities Net Assets</b>	<b>49,909,817</b>	<b>49,363,654</b>	<b>51,929,981</b>	<b>56,256,244</b>
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	22,369,462	22,334,652	22,194,042	22,195,261
Unrestricted	5,729,836	6,184,876	6,709,398	6,975,685
<b>Total Business-Type Activities Net Assets</b>	<b>28,099,298</b>	<b>28,519,528</b>	<b>28,903,440</b>	<b>29,170,946</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	66,276,481	65,707,837	64,877,607	66,176,714
Restricted	9,620,148	7,768,707	9,059,013	9,605,788
Unrestricted	2,112,486	4,406,638	6,896,801	9,644,688
<b>Total Primary Government Net Assets</b>	<b>78,009,115</b>	<b>77,883,182</b>	<b>80,833,421</b>	<b>85,427,190</b>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2003.

V ILLAGE OF HANOVER PARK, ILLINOIS

Changes in Net Assets - Last Four Fiscal Years  
April 30, 2006

	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 3,002,269	2,290,545	3,032,901	3,151,719
Public Works	2,705,116	2,584,077	2,691,590	2,967,923
Public Safety	9,828,535	10,414,601	11,803,812	12,732,089
Community Development	850,610	1,059,206	874,275	1,250,312
Highways and Streets	2,466,733	4,343,557	1,651,616	1,904,303
Interest	1,037,809	730,086	816,506	870,101
Total Governmental Activities Expenses	19,891,072	21,422,072	20,870,700	22,876,447
<b>Business-Type Activities</b>				
Water and Sewer	6,931,626	6,974,497	6,957,557	7,167,282
Commuter Parking	326,663	326,108	368,048	349,930
Total Business-Type Activities Net Assets	7,258,289	7,300,605	7,325,605	7,517,212
Total Primary Government Expenses	27,149,361	28,722,677	28,196,305	30,393,659
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	868,313	920,597	806,186	796,144
Public Safety	661,166	801,110	1,216,106	1,720,844
Community Development	257,149	352,484	255,336	267,630
Highways and Streets	537	50,537	-	-
Operating Grants	1,198,547	1,151,423	1,795,459	1,174,947
Capital Grants	703,539	-	-	129,987
Total Governmental Activities Program Revenues	3,689,251	3,276,151	4,073,087	4,089,552
<b>Business-Type Activities</b>				
<b>Charges for Services</b>				
Water and Sewer	6,873,020	7,048,989	7,285,627	7,452,531
Commuter Parking	273,852	264,000	243,232	256,413
Operating Grants	-	-	110,000	-
Capital Grants	-	-	-	-
Total Business-Type Activities Program Revenues	7,146,872	7,312,989	7,638,859	7,708,944
Total Primary Government Program Revenues	10,836,123	10,589,140	11,711,946	11,798,496

	2003	2004	2005	2006
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (16,201,821)	(18,145,921)	(16,797,613)	(18,786,895)
Business-Type Activities	(111,417)	12,384	313,254	191,732
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(16,313,238)</b>	<b>(18,133,537)</b>	<b>(16,484,359)</b>	<b>(18,595,163)</b>
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities</b>				
Taxes				
Property	8,054,147	8,740,200	9,128,336	10,556,379
Sales, Local Use	3,533,870	3,657,567	3,405,265	3,764,767
Utility	854,997	1,206,679	1,224,144	1,735,559
Hotel/Motel	31,685	31,329	35,954	39,848
Food and Beverage	999,932	1,022,650	1,025,182	1,057,701
Other	512,452	533,110	840,757	861,355
Intergovernmental				
Personal Property Replacement Tax	50,783	56,091	64,313	82,734
Income	2,501,086	2,313,368	2,591,407	2,924,903
Investment Income	558,624	223,741	474,107	859,078
Miscellaneous	462,279	139,896	551,567	1,159,346
<b>Total Governmental Activities</b>	<b>17,559,855</b>	<b>17,924,631</b>	<b>19,341,032</b>	<b>23,041,670</b>
<b>Business-Type Activities</b>				
Investment Income	92,987	37,469	85,966	143,937
Miscellaneous	282,296	45,504	7,600	3,325
<b>Total Business-Type Activities</b>	<b>375,283</b>	<b>82,973</b>	<b>93,566</b>	<b>147,262</b>
<b>Total Primary Government</b>	<b>17,935,138</b>	<b>18,007,604</b>	<b>19,434,598</b>	<b>23,188,932</b>
<b>Changes in Net Assets</b>				
Governmental Activities	1,358,034	(221,290)	2,543,419	4,254,775
Business-Type Activities	263,866	95,357	406,820	338,994
<b>Total Primary Government</b>	<b>1,621,900</b>	<b>(125,933)</b>	<b>2,950,239</b>	<b>4,593,769</b>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2003.

VILLAGE OF HANOVER PARK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years  
April 30, 2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005 (1)	2006
General Fund										
Reserved	\$ 4,434	5,064	421,096	503,794	965,723	889,737	878,820	858,837	755,240	730,035
Unreserved	5,537,106	6,458,403	6,140,554	5,941,423	6,823,958	6,836,663	6,655,939	6,672,304	6,859,146	8,205,921
Total General Fund	5,541,540	6,463,467	6,561,650	6,445,217	7,789,681	7,726,400	7,534,759	7,531,141	7,614,386	8,935,956
All Other Governmental Funds										
Reserved	3,007,449	2,199,143	2,142,082	3,068,916	2,947,636	2,317,152	9,620,148	7,768,707	15,343,970	11,119,689
Unreserved, Reported in:										
Special Revenues Funds	2,682,215	2,595,195	2,625,956	2,653,266	3,025,270	3,278,877	-	-	-	-
Debt Service Funds	(98,200)	976,040	1,097,301	876,318	1,090,438	310,544	-	-	-	-
Capital Projects Funds	2,063,465	1,817,854	1,658,455	1,631,517	1,240,764	4,722,913	1,911,794	1,863,894	1,780,042	2,034,890
Total All Other Governmental Funds	7,654,929	7,588,232	7,523,794	8,230,017	8,304,108	10,629,486	11,531,942	9,632,601	17,124,012	13,154,579

Data Source: Village Records

(1) The fund balance for all other governmental funds increased significantly in Fiscal Year 2005 due to the issuance of the 2004 General Obligation Bonds which are being used to finance the construction of a new Headquarters Fire Station.

VILLAGE OF HANOVER PARK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2006

	1997	1998	1999	2000	2001	2002	2003	2004 (1)	2005 (2)	2006 (3)
<b>Revenues</b>										
Taxes	\$ 9,688,466	10,312,365	11,140,596	12,685,648	14,604,783	15,090,955	16,377,381	17,560,994	15,252,100	17,562,838
Licenses and Permits	1,065,607	1,058,853	1,117,626	1,144,212	1,155,919	1,118,318	818,627	809,478	820,362	840,525
Intergovernmental	946,759	846,331	862,560	1,005,586	1,073,056	1,093,218	1,824,194	1,132,424	4,858,717	4,765,342
Charges for Services and Fees	66,769	68,142	66,648	69,391	142,303	183,516	203,608	285,642	925,111	1,314,082
Fines and Forfeits	342,101	400,620	311,719	288,080	300,598	380,492	428,084	494,211	518,741	615,398
Investment Income	713,622	786,324	398,143	565,595	1,095,518	674,612	554,134	223,741	396,188	740,859
Miscellaneous	294,683	307,479	1,146,239	413,392	1,518,711	1,535,063	795,648	684,292	551,567	1,159,346
<b>Total Revenues</b>	<b>13,118,007</b>	<b>13,780,114</b>	<b>15,043,531</b>	<b>16,171,904</b>	<b>19,890,888</b>	<b>20,076,174</b>	<b>21,001,676</b>	<b>21,190,782</b>	<b>23,322,786</b>	<b>26,998,390</b>
<b>Expenditures</b>										
General Government	2,496,448	2,775,629	2,857,925	2,859,086	3,244,065	3,515,718	2,826,509	2,878,432	2,728,647	3,050,356
Public Works	-	-	-	-	-	-	2,600,939	2,796,481	2,471,206	2,571,833
Public Safety	3,973,284	4,435,357	5,323,418	5,882,380	7,976,949	9,264,687	9,934,715	10,192,937	11,345,508	12,289,563
Community Development	107,307	-	-	-	-	-	720,713	1,051,288	879,085	1,186,171
Highways and Streets	2,741,891	2,789,891	3,384,426	3,118,164	3,692,045	4,410,790	1,406,582	1,871,204	1,093,708	1,215,723
Intergovernmental	-	-	-	-	-	864,211	-	-	-	-
Capital Outlay	5,535	33,063	192,600	191,903	78,040	314,397	1,261,219	1,708,830	1,500,129	6,478,415
Debt Service										
Principal	1,675,000	825,000	1,180,000	1,275,000	1,293,700	1,345,000	1,634,000	1,760,200	2,053,638	2,012,617
Interest and Fiscal Charges	987,778	1,389,974	1,244,479	1,177,896	1,127,546	1,095,803	1,020,437	749,039	699,117	913,063
<b>Total Expenditures</b>	<b>11,987,243</b>	<b>12,248,914</b>	<b>14,182,848</b>	<b>14,504,429</b>	<b>17,412,345</b>	<b>20,810,606</b>	<b>21,405,114</b>	<b>23,008,411</b>	<b>22,771,038</b>	<b>29,717,741</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,130,764</b>	<b>1,531,200</b>	<b>860,683</b>	<b>1,667,475</b>	<b>2,478,543</b>	<b>(734,432)</b>	<b>(403,438)</b>	<b>(1,817,629)</b>	<b>551,748</b>	<b>(2,719,351)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Bonds	8,130,000	-	-	-	-	3,577,783	5,210,000	229,543	7,000,000	-
Payments to Escrow Agent	-	-	-	-	-	-	(5,130,568)	-	-	-
Transfers In	1,929,407	699,225	901,913	895,016	681,131	777,869	4,195,095	1,797,387	601,923	1,246,418
Transfers Out	(9,574,308)	(1,375,195)	(2,489,376)	(2,146,166)	(2,605,866)	(1,733,294)	(3,531,644)	(2,122,260)	(579,015)	(1,174,930)
Sale of Property	-	-	-	173,465	979,951	37,098	432,129	10,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>485,099</b>	<b>(675,970)</b>	<b>(1,587,463)</b>	<b>(1,077,685)</b>	<b>(944,784)</b>	<b>2,659,456</b>	<b>1,175,012</b>	<b>(85,330)</b>	<b>7,022,908</b>	<b>71,488</b>
<b>Net Change in Fund Balances</b>	<b>1,615,863</b>	<b>855,230</b>	<b>(726,780)</b>	<b>589,790</b>	<b>1,533,759</b>	<b>1,925,024</b>	<b>771,574</b>	<b>(1,902,959)</b>	<b>7,574,656</b>	<b>(2,647,863)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>22.22%</b>	<b>18.13%</b>	<b>17.33%</b>	<b>17.14%</b>	<b>13.97%</b>	<b>11.91%</b>	<b>13.18%</b>	<b>11.78%</b>	<b>12.94%</b>	<b>12.59%</b>

Data Source: Village Records

(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 bond proceeds from the 2004 General Obligation Bonds for the construction of a new Headquarters Fire Station.

VILLAGE OF HANOVER PARK, ILLIONS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Year  
 Cook County  
 April 30, 2006

Tax Levy Year	Residential Property	Farm	Commerical Property	Industrial Property	Total	Railroad	Total Assessed Value Cook	Total Direct Tax Rate Cook
1996	\$ 104,777,460	2,948	44,135,137	4,658,813	153,574,358	8,142	153,582,500	0.888
1997	104,317,293	2,948	43,314,960	4,780,240	152,415,441	9,700	152,425,141	0.909
1998	114,475,797	2,948	46,654,428	4,781,190	165,914,363	-	165,914,363	0.834
1999	119,402,737	2,948	46,602,447	6,012,337	172,020,469	-	172,020,469	0.893
2000	117,266,254	2,948	45,103,927	5,169,210	167,542,339	-	167,542,339	1.694
2001	145,830,815	2,948	54,475,362	6,514,216	206,823,341	-	206,823,341	1.400
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	N/A	N/A	N/A	N/A	N/A	N/A	246,010,825	1.437
2005	N/A	N/A	N/A	N/A	N/A	N/A	258,742,308	1.343

N/A - Currently Not Available

Data Source: Cook County Clerk's and Treasurer's Offices

VILLAGE OF HANOVER PARK, ILLIONS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Year

DuPage County

April 30, 2006

Tax Levy Year	Residential Property	Farm	Commerical Property	Industrial Property	Total	Railroad	Total Assessed Value DuPage	Total Direct Tax Rate DuPage
1996	\$ 182,457,650	46,157	10,947,520	26,119,850	219,571,177	9,307	219,580,484	0.8195
1997	189,173,730	43,943	11,775,610	30,077,490	231,070,773	8,738	231,079,511	0.7967
1998	192,640,070	45,884	12,735,780	37,618,940	243,040,674	10,759	243,051,433	0.7871
1999	195,837,610	51,937	13,420,550	43,601,150	252,911,247	11,870	252,923,117	0.7743
2000	203,491,420	42,420	14,172,900	46,434,240	264,140,980	12,177	264,153,157	1.3536
2001	216,511,645	31,375	15,109,530	53,919,040	285,571,590	9,809	285,581,399	1.3753
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	7,596	397,743,063	1.2716

Data Source: DuPage County Clerk's and Treasurer's Offices

(1) The significant increase in the tax rate in Tax Levy Year 2000 was the result of the acquisition of the Fire District in July 2000.

VILLAGE OF HANOVER PARK, ILLINOIS

Direct and Overlapping Property Tax Rates-Cook County  
April 30, 2006

	Last Ten Tax Levy Years									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Village of Hanover Park										
General Corporate rate	0.605	0.622	0.667	0.732	1.523	1.260	1.241	1.355	1.269	1.191
Police Pension	0.073	0.076	-	-	-	-	-	-	-	-
Debt Service Rate	0.210	0.211	0.167	0.161	0.171	0.140	0.129	0.131	0.168	0.152
<b>Total Direct Tax Rate</b>	<b>0.888</b>	<b>0.909</b>	<b>0.834</b>	<b>0.893</b>	<b>1.694</b>	<b>1.400</b>	<b>1.370</b>	<b>1.486</b>	<b>1.437</b>	<b>1.343</b>
Overlapping Rates										
School District #46	5.934	6.298	6.131	6.002	6.243	5.350	5.080	5.606	4.945	4.746
School District #509	0.468	0.495	0.459	0.434	0.458	0.387	0.367	0.426	0.434	0.421
Hanover Park Park District	0.602	0.610	0.571	0.581	0.600	0.492	0.476	0.534	0.469	0.441
Hanover Park Fire Protection	0.645	0.631	0.612	0.650	-	-	-	-	-	-
County including Forest Preserve										
District and TB Sanitarium	1.071	1.001	0.991	0.932	0.901	0.820	0.757	0.693	0.654	0.598
Hanover Township	0.260	0.271	0.251	0.246	0.254	0.225	0.259	0.273	0.242	0.237
Metropolitan Water Reclamation District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315
Northwest Mosquito Abatement District	0.010	0.011	0.010	0.010	0.011	0.010	0.009	0.010	0.009	0.009
Poplar Creek Library	0.376	0.386	0.397	0.388	0.406	0.351	0.340	0.355	0.318	0.304
Community Mental Health	0.054	0.056	0.049	0.044	0.045	0.040	0.038	0.040	0.036	0.035
Consolidated Elections	-	0.027	-	0.023	-	0.032	-	0.029	-	0.014
<b>Total Direct and Overlapping Tax Rate</b>	<b>10.800</b>	<b>11.146</b>	<b>10.749</b>	<b>10.622</b>	<b>11.027</b>	<b>9.508</b>	<b>9.067</b>	<b>9.813</b>	<b>8.891</b>	<b>8.463</b>

Data Source: Cook County Clerk

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.

(1) The significant increase in the tax rate in Tax Levy Year 2000 was the result of the acquisition of the Fire District in July 2000.

VILLAGE OF HANOVER PARK, ILLINOIS

Direct and Overlapping Property Tax Rates-DuPage County  
April 30, 2006

	Last Ten Levy Years									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Village of Hanover Park:										
General Corporate rate	0.5617	0.5472	0.6314	0.6366	1.2314	1.2505	1.2248	1.1864	1.1960	1.1419
Police Pension	0.0669	0.0674	-	-	-	-	-	-	-	-
Debt Service Rate	0.1909	0.1821	0.1557	0.1377	0.1222	0.1248	0.1134	0.1027	0.1411	0.1297
Total Direct Tax Rate	0.8195	0.7967	0.7871	0.7743	1.3536	1.3753	1.3382	1.2891	1.3371	1.2716
Overlapping Rates										
School District #93	4.0683	3.9891	3.9251	3.6960	3.6455	3.5791	3.2923	3.0360	3.3667	3.5070
School District #287	1.9562	1.9881	1.9732	1.9402	1.9477	1.8586	1.9144	1.8530	1.7716	1.7200
Community College #502	0.2053	0.2042	0.2027	0.2006	0.1966	0.1930	0.2179	0.2100	0.1968	0.1874
Hanover Park Park District	0.5279	0.5170	0.5198	0.5812	0.4761	0.4700	0.4483	0.4340	0.4267	0.4055
Hanover Park Fire Protection	0.0656	0.6061	0.6007	0.5995	-	-	-	-	-	-
County including Forest Preserve District and Airport	0.5183	0.5178	0.5002	0.4786	0.4569	0.4278	0.3936	0.3650	0.3421	0.3266
Wayne Township	0.2272	0.2153	0.2067	0.1983	0.1938	0.1876	0.1722	0.1570	0.1450	0.1400
Poplar Creek Library	0.3740	0.3688	0.3880	0.3085	0.3614	0.3571	0.3573	0.3040	0.3022	0.3004
Total Direct and Overlapping Tax Rate	8.7623	9.2031	9.1035	8.7772	8.6316	8.4485	8.1342	7.6481	7.8882	7.8585

Data Source: DuPage County Clerk

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.

(1) The significant increase in the tax rate in Tax Levy Year 2000 was the result of the acquisition of the Fire District in July 2000.

VILLAGE OF HANOVER PARK, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago  
April 30, 2006

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
AMB-Turnberry Lakes	\$ 11,418,750	1	1.74%			
Menards	9,096,306	2	1.39%	\$ 3,157,699	4	0.85%
Westview Center-Bradley	8,744,818	3	1.33%	7,994,686	2	2.14%
IDI Services-Turnberry Lakes	7,473,420	4	1.14%			
Fisher Scientific Company	5,605,130	5	0.85%			
IDI Services-Hanover Corp Center	4,575,580	6	0.70%			
Pebblewood Court	4,337,465	7	0.66%			
Wheaton Bank Trust 1238	4,260,579	8	0.65%			
Northern Builders, Inc.	4,146,590	9	0.63%			
Kmart Corporation	3,345,072	10	0.51%			
Turnberry Lakes Industrial Park				10,635,412	1	2.85%
Tradewinds Center				5,231,336	3	1.40%
First National Bank Trust 751				2,617,208	5	0.70%
Inland Real Estate				2,235,920	6	0.60%
Cannon USA				1,766,610	7	0.47%
Camcraft, Inc.				1,233,960	8	0.33%
Charter Bank				1,052,227	9	0.28%
Greenbrook Center				983,707	10	0.26%
	<u>63,003,710</u>		<u>9.60%</u>	<u>36,908,765</u>		<u>9.88%</u>

Data Source: Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS

Property Tax Levies and Collections  
April 30, 2006

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1997	1996	\$ 3,163,275	\$ 650,722	20.57%	2,556,359	\$ 3,207,081	101.38%
1998	1997	3,226,036	615,290	19.07%	2,550,952	3,166,242	98.15%
1999	1998	3,324,889	640,545	19.27%	2,652,855	3,293,400	99.05%
2000	1999	3,407,387	659,680	19.36%	2,769,515	3,429,195	100.64%
2001	2000	6,248,890	1,225,076	19.60%	4,887,204	6,112,280	97.81%
2002	2001	6,519,430	1,316,255	20.19%	5,195,153	6,511,408	99.88%
2003	2002	6,698,440	1,462,391	21.83%	5,404,731	6,872,352	102.60%
2004	2003	7,326,595	2,213,005	30.21%	5,022,698	7,285,802	99.44%
2005	2004	7,937,587	1,293,435	16.30%	6,448,638	7,742,073	97.54%
2006	2005	8,113,730	712,183	8.78%	N/A	712,183	8.78%

N/A - Currently Not Available

Data Source: Village Records

Note: Levies for all Special Services Area have been excluded from this table.

VILLAGE OF HANOVER PARK, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
April 30, 2006

Fiscal Year Ended April 30	Governmental Activities			Business-Type Activities	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Per Capita (1)
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds	IEPA Loan				
1997	\$ 9,375,000	\$ 6,394,255	\$ 12,025,000	\$ 3,750,000	\$ 31,544,255	\$ 373,162,984	8.45%	\$ 886.60
1998	8,725,000	-	11,850,000	3,608,080	24,183,080	383,504,652	6.31%	679.70
1999	7,920,000	-	11,475,000	4,304,117	23,699,117	408,965,796	5.79%	666.10
2000	7,070,000	-	11,050,000	5,096,974	23,216,974	424,943,586	5.46%	652.55
2001	6,280,000	481,300	10,575,000	4,858,161	22,194,461	431,695,496	5.14%	579.82
2002	9,060,000	418,600	10,050,000	4,626,072	24,154,672	492,404,740	4.91%	631.03
2003	8,560,000	197,700	9,250,000	4,387,545	22,395,245	539,114,771	4.15%	585.07
2004	7,710,000	355,269	8,375,000	4,142,401	20,582,670	561,449,376	3.67%	537.72
2005	13,850,000	502,846	7,400,000	3,890,457	25,643,303	617,180,198	4.15%	669.92
2006	12,970,000	369,264	6,325,000	3,631,523	23,295,787	656,485,371	3.55%	608.59

Data Source: Village's Records

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
 April 30, 2006

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
1997	\$ 9,375,000	\$ 1,059,347	\$ 8,315,653	2.23%	\$ 563.01
1998	8,725,000	1,067,152	7,657,848	2.00%	529.22
1999	7,920,000	979,399	6,940,601	1.70%	479.65
2000	7,070,000	813,882	6,256,118	1.47%	432.35
2001	6,280,000	750,665	5,529,335	1.28%	277.02
2002	9,060,000	704,171	8,355,829	1.70%	418.63
2003	8,560,000	601,513	7,958,487	1.48%	398.72
2004	7,710,000	522,898	7,187,102	1.28%	360.08
2005	13,850,000	742,290	13,107,710	2.12%	656.70
2006	12,970,000	949,405	12,020,595	1.83%	602.23

Data Source: Village Records

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

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

VILLAGE OF HANOVER PARK, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt  
April 30, 2006

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Hanover Park	\$ 12,970,000	100.00%	\$ 12,970,000
School District # 20	9,420,000	37.86%	3,566,412
School District # 54	52,255,000	2.87%	1,499,719
School District #93	16,025,000	9.45%	1,514,363
High School District #87	43,175,000	2.25%	971,438
High School District #108	51,090,000	7.48%	3,821,532
High School District #211	18,570,000	1.79%	332,403
Community School District #46	365,083,836	4.90%	17,889,108
Community College District #502	104,195,000	0.71%	739,785
Community College District #509	52,210,386	2.13%	1,112,081
Community College District #512	73,355,000	0.72%	528,156
Cook County	3,093,165,000	0.19%	5,877,014
DuPage County	244,920,000	1.14%	2,792,088
Cook County Forest Preserve District	135,155,000	0.19%	256,795
DuPage County Forest Preserve District	228,710,271	1.14%	2,607,297
Metropolitan Water Reclamation District	1,307,823,555	0.20%	2,615,647
Schaumburg Township	690,000	2.90%	20,010
Bartlett Park District	13,380,000	5.36%	717,168
Hanover Park Park District	1,039,290	94.88%	986,078
Schaumburg Park District	18,925,000	1.34%	253,595
Bartlett Public Library District	1,400,000	0.06%	840
Schaumburg Township Library District	10,485,000	2.95%	309,308
Bloomington Fire Protection District	3,595,000	5.23%	188,019
Village of Hanover Park SSA #2	1,000,000	100.00%	1,000,000
Village of Hanover Park TIF #2	5,970,000	100.00%	5,970,000
<b>Totals</b>	<b>\$ 5,851,637,338</b>		<b>\$ 55,568,853</b>

Data Source: Cook and DuPage County Clerks

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of 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 2005 tax levy year equalized assessed values.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Schedule of Legal Debt Margin**

**April 30, 2006**

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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 some 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

Pledged-Revenue Coverage - Last Ten Fiscal Years  
 April 30, 2006

Fiscal Year Ended April 30	Tax Increment Financing District #2 1987 and 1989 Bonds			
	Property and Sales Tax Revenues	Principal	Interest	Coverage
1997	\$ 980,602	\$ 425,000	\$ 752,707	0.83
1998	703,931	175,000	788,858	0.73
1999	851,243	375,000	777,334	0.74
2000	1,110,221	425,000	752,707	0.94
2001	1,036,868	475,000	742,767	0.85
2002	904,765	525,000	693,511	0.74
2003	1,289,861	800,000	488,142	1.00
2004	1,439,820	875,000	449,122	1.09
2005	1,467,329	975,000	428,583	1.05
2006	1,799,175	1,075,000	382,395	1.23

Data Source: Village Records

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

VILLAGE OF HANOVER PARK, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years  
 April 30, 2006

Fiscal Year Ended April 30	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1997	35,579	\$ 525,502	14,770	28.0	4,892	5.20%
1998	35,579	514,828	14,470	28.0	4,996	4.50%
1999	35,579	514,828	14,470	28.0	4,896	4.40%
2000	35,579	514,828	14,470	28.0	5,000	4.20%
2001	38,278	764,029	19,960	29.7	5,158	4.60%
2002	38,278	764,029	19,960	29.7	5,158	6.40%
2003	38,278	764,029	19,960	29.7	5,158	7.30%
2004	38,278	764,029	19,960	29.7	5,158	7.40%
2005	38,278	764,029	19,960	29.7	5,158	6.40%
2006	38,278	764,029	19,960	29.7	6,432	6.60%

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Illinois Department of Employment Security (using annual averages)

## VILLAGE OF HANOVER PARK, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
 April 30, 2006

Employer	2006			1997		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Fischer Scientific	345	1	6.98%			
Camcraft, Inc.	200	2	4.05%	175	1	4.34%
Comark, Inc.	200	3	4.05%			
Fuji Film	180	4	3.64%			
Village of Hanover Park	182	5	3.68%	141	3	3.50%
Cub Foods	125	6	2.53%			
Fellowes Manufacturing	120	7	2.43%	100	6	2.48%
Menards	90	8	1.82%			
School Health Corp	90	9	1.82%	74	8	1.83%
Jefferson Smurfit	40	10	0.81%	65	9	1.61%
MS Distributers				143	2	3.54%
Circuit City				124	4	3.07%
Marriot				110	5	2.73%
Canon USA				75	7	1.86%
GBC				51	10	1.26%
	<u>1,572</u>		<u>31.81%</u>	<u>1,058</u>		<u>26.22%</u>

Data Sources: Village Community Development Department Records and U.S. Census Bureau.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**Full-time Equivalent Village Government Employees by Function  
April 30, 2006**

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Administration	12	12	12	12	12	13	13	12	12	12
Finance	7	7	7	7	7	7	7	6	6	6
Public Works	39	40	40	40	40	41	41	41	40	40
Police	63	66	66	68	68	68	69	69	69	71
Fire (1)					27	27	27	27	30	30
Community Development	10	10	11	10	10	10	10	10	9	9
Water and Sewer	11	11	11	11	12	12	12	12	11	11
Commuter Parking Lot	3	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>145</b>	<b>149</b>	<b>150</b>	<b>151</b>	<b>179</b>	<b>181</b>	<b>182</b>	<b>180</b>	<b>180</b>	<b>182</b>

Data Source: Village Records

(1) The Village acquired the fire district in July of 2000.

VILLAGE OF HANOVER PARK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2006

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Public Works</b>										
Forestry										
Number of Parkway Trees Planted	52	54	64	71	52	46	42	39	49	33
Number of Parkway Trees Trimmed	3333	2354	2798	1700	2071	2149	2606	1679	1880	2176
Brush Pickup Program (Cubic Yds collected)	1808	1706	1957	1571	2210	1649	1619	2132	1983	2051
Fleet Services										
Number of Vehicles Maintained	123	123	123	129	146	146	147	147	149	149
Preventative Maintenance Services	365	350	372	386	408	415	422	405	392	418
<b>Public Safety</b>										
Fire (1)										
Number of Fire Calls					1,180	1,243	978	697	665	775
Number of EMS Calls					1,559	1,508	1,686	1,798	1,745	1,831
Number of Training Hours					18,524	17,470	15,133	8,171	7,151	7,109
ISO Rating					4	4	4	4	4	4
Police										
Part I Crime	1,093	1,028	1,179	863	857	749	768	892	742	793
Part II Crime	3,851	3,775	2,982	2,779	2,595	3,008	3,156	3,051	3,104	3,758
Calls for Service	NA	NA	NA	NA	NA	NA	40,026	44,272	40,669	42,127
State Tickets Issued	4,985	5,742	4,889	5,740	5,333	5,855	6,383	5,967	7,453	8,812
Compliance Tickets Issued	3,382	3,718	1,619	454	397	187	279	109	24	95
Parking Tickets Issued	18,795	20,152	17,070	17,955	18,084	18,094	18,812	17,740	16,000	18,827
<b>Community Development</b>										
Number of Building Permits Issued	1,553	1,391	1,432	1,457	1,537	1,725	1,636	2,421	2,028	1,633
Number of Building Inspections	4,873	5,962	5,833	4,980	5,655	5,128	4,635	6,000	7,052	5,957
Number of Food Service Inspections	NA	257	259	244	261	243	258	237	253	252

VILLAGE OF HANOVER PARK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2006

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Highways and Streets</b>										
Sidewalk Replaced (sq. ft.)	30,000	23,368	26,000	25,040	29,600	27,781	-	35,438	23,400	24,667
Annual Resurfacing Program (\$)	733,010	308,922	265,768	638,176	705,779	672,965	650,206	660,323	586,848	672,363
Crack Sealing (lbs. installed)	24,000	23,408	23,680	28,700	24,529	24,460	25,800	24,533	26,120	27,420
<b>Water and Sewer</b>										
Water Main Breaks	48	53	46	59	46	23	51	85	59	96
Hydrants Flushed						-	929	1,395	1,428	1,438
Water Meters Read	57,192	58,202	68,012	50,924	61,855	63,720	58,643	66,368	65,978	66,472
Water Meter Service Requests	4,101	3,870	4,241	6,715	8,361	6,272	8,332	8,596	9,080	6,879
Water Meters Replaced	17	15	17	929	1,211	218	2,390	2,452	2,440	240
Total Distribution Pumpage (1,000 gallons)	1,154,666	1,056,072	1,092,834	1,122,511	1,089,325	1,087,266	1,056,041	1,011,422	973,198	1,095,611
Average Daily Pumpage (1,000 gallons)	3,164	2,893	2,994	3,067	2,984	2,979	2,893	2,771	2,666	3,002
Sanitary Sewer Televising (feet)	-	-	-	90,825	78,637	60,212	30,917	1,320	505	20,551
Sanitary Sewer Repairs	NA	NA	NA	NA	NA	12	4	3	2	2

N/A: Not Available

Data Source: Village Records

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

(1) The Village acquired the Fire Protection District in July 2000.

VILLAGE OF HANOVER PARK, ILLINOIS

Capital Asset Statistics by Function/Program

April 30, 2006

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	17	17	17	19	20	20	20	20	20
Fire Stations (1)					2	2	2	2	2	2
<b>Public Works</b>										
Streets (Miles)	97.89	98.25	98.58	98.58	98.58	98.48	98.88	98.88	99.36	99.36
Sidewalks (miles)	145.84	147.55	149.60	150.15	150.27	150.33	152.38	154.04	154.04	154.04
Streetslights	853	875	912	913	918	925	930	935	1,041	1,041
<b>Water and Sewer</b>										
Water Mains (Miles)	105.56	106.53	108.39	108.86	109.01	109.07	110.49	110.49	111.51	111.51
Fire Hydrants	1320	1336	1367	1381	1395	1396	1427	1428	1449	1449
Sanitary Sewers (miles)	87.85	88.10	91.88	91.79	91.85	91.87	93.10	93.10	93.94	93.94
Manholes	2,621	2,270	2,287	2,286	2,287	2,290	2,322	2,322	2,347	2,347

Data Source: Village Records

(1) The Village acquired the Fire Protection District in July 2000.