

VILLAGE OF HANOVER PARK, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2014

VILLAGE OF HANOVER PARK, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2014

Prepared by Department of Finance

Rebekah Flakus
Director of Finance

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INTRODUCTORY SECTION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2014

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig, President

William Cannon

Jon Kunkel

James Kemper

Rick Roberts

Jenni Konstanzer

Edward J. Zimel, Jr.

Eira Corral, Clerk

ADMINISTRATIVE

Juliana Maller, Manager

FINANCE DEPARTMENT

Rebekah Flakus
Director of Finance

Village of Hanover Park – Table of Organization





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Hanover Park
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO



Village of Hanover Park Administration

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

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

PRESIDENT
RODNEY S. CRAIG

VILLAGE CLERK
EIRA CORRAL

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

VILLAGE MANAGER
JULIANA A. MALLER

September 10, 2014

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ending April 30, 2014 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally-accepted auditing standards (GAAS), include all of the accounts and funds of the Village, and be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally-accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending April 30, 2014.

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

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion on the Village's financial statements for the year ending April 30, 2014. The independent

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

Profile of the Village of Hanover Park

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

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

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

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

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

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

There were 195 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2014 annual budget. There are seven different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters, and Public Works employees.

Local Economy

Nearly 500 businesses are located in the Village of Hanover Park. There are more than 4,000,000 square feet of business park development located in three industrial areas within the Village and 23 shopping centers ranging in size from 6,000 to 200,000 square feet. Numerous food establishments are located within the Village including family friendly, ethnic, and fast food restaurants.

Construction continued in the mixed-use development, Church Street Station. In fiscal year 2010, Church Street Station was acquired by a new developer who resumed building in 2010. As of August, 2014, all of the 126 planned homes have been constructed and the project has been completed.

A significant impact to the Village occurred when a new grocer, Tony's Finer Foods, moved into the old Ultra Foods location on Barrington and Irving Park Roads. In Fiscal Year 2013, there were several months where Sales Tax or Food & Beverage Tax revenues were not being generated by the property because it was empty. The Village anticipated the revenues leveling out once the property started generating sales in the beginning of Fiscal Year 2014.

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

Over the past several years, the United States economic recovery from recession has persisted, but at a sluggish pace. The Village has been trying to recover, but any increases in certain revenues are offset by decreases in other revenues. The economic impact nationwide still affects the Village. Fiscal Year 2014 General Fund Revenues show an overall increase of 13.86%. The significant increases occurred in taxes, intergovernmental revenues and investment income.

- Property tax revenue received totaled \$10,766,348 for Fiscal Year 2014, which was \$1,324,267 more than the \$9,442,081 received in fiscal year 2013. Reassessments in Fiscal Year 2013 and timing of installment payments received caused the variance. Also, in Fiscal Year 2014, a portion of the 2013 property tax payments were received causing a large increase.
- Municipal sales tax revenues totaled \$5,361,445 which was an increase of \$631,708 over the \$4,729,737 received in Fiscal Year 2013. The 13.35% increase from Fiscal Year 2013 was primarily due to an increase in the overall sales within the Village. A portion of this increase will be offset by an increase in sales tax incentive payments to businesses within the Village. The incentives are based on total sales tax revenue generated.
- Home rule sales tax revenues totaled \$3,217,418, which represents an increase of \$1,158,052 from \$2,059,366 received in Fiscal Year 2013. The 56.23% increase was due to an increase in overall sales within the Village and a Board approved increase in the home rule sales tax rate. The rate was increased from 0.5% to 0.75%.
- Simplified telecommunications tax revenues decreased from \$982,864 in Fiscal Year 2013 to \$908,052 in Fiscal Year 2014.
- Rental Income totaled \$294,211 in Fiscal Year 2014, decreasing \$9,780 or 3.2% from Fiscal Year 2013 total of \$303,991.
- Ordinance Violation Revenues also decreased by \$25,372 or 9.3% in Fiscal Year 2014. \$273,559 was received in Fiscal Year 2013 compared to \$248,187 this year.
- Investment income increased in Fiscal Year 2014 from \$92,279 to \$143,361. Special Service Are #6 paid the outstanding interest due to the General Fund totaling \$66,688 causing the majority of the 55.4% increase.

The Village equalized assessed valuation decreased by \$84 million, or 13.45%, from \$626.6 million in the 2012 levy year to \$542.4 million in the 2013 levy year. This decrease is primarily due to the property reassessments which were completed in 2013 and an overall continuing decline in the value of properties within the Village.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>% Increase</u>
2004	\$617,180,365	\$55,730,989	9.93%
2005	\$656,485,204	\$39,304,839	6.37%
2006	\$687,946,444	\$31,461,240	4.79%
2007	\$746,188,021	\$58,241,577	8.47%
2008	\$789,204,793	\$43,016,774	5.76%
2009	\$810,756,275	\$21,551,482	2.73%
2010	\$743,653,328	(\$67,102,947)	(8.28%)
2011	\$695,936,302	(\$47,717,036)	(6.42%)
2012	\$626,685,617	(\$69,250,685)	(9.95%)
2013	\$542,401,799	(\$84,283,818)	(13.45%)

Long-Term Financial Planning and Relevant Financial Policies

The unrestricted, unassigned fund balance of the General Fund continues to exceed 25.0% of the subsequent year's budgeted expenditures which is the policy established by the Village Board to provide financing for unanticipated expenditures and accommodate shortfalls in revenues. The unrestricted fund balance has increased \$3,138,002, primarily due to a decrease in personal services and the timing of capital projects. Also, several Village vehicles were not received before the end of the year and the Village's new software system was not completed in Fiscal Year 2014, therefore the full expense of all these items was not spent during the fiscal year. The remaining amount of expenses will be added into the next fiscal year as a budget amendment. These large variances will cause expenditures in the next year to exceed the original budgeted amounts.

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

*Fund balance percent is calculated based on Fiscal Year 2014 budgeted expenditures due to the fiscal year conversion. The Fiscal Year 2014B budgeted expenditures are significantly lower due to a shortened eight-month stub year. The percent of fund balance will decrease once the Calendar Year 2015 Budget has been created.

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

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

Major Initiatives

The Village of Hanover Park continues to manage its fiscal operations well and operate cost effectively in Fiscal Year 2013. The Village, with its budgeted full-time staffing of 195, serves its citizens with 5.1 full-time employees per 1,000 in population. Implementation of the Village’s Strategic Plan during the fiscal year reflects the Village's continued commitment to its citizens that the Village is a desirable place to live, work, and transact business and includes:

- The Village entered into a 39 year lease for the MWRD land located on the Hanover Park Water Reclamation District Plant off of Barrington Road for public and recreational use. The lease between the Village and MWRD began on January 1, 2013. This lease was entered into in an effort to ensure that affordable youth programming will continue to be provided, as well as allow for visual improvements to the site.
- As part of the goal to improve the look of its appearance, the Village purchased the Hanover Square Shopping Center in Fiscal Year 2012. Since then, major improvements have taken place including the purchase and demolition of the vacant ‘old Shires’ building at 6794 Barrington, demolition of the ‘old hot dog stand’ at 6784 Barrington Road, and construction of a new monument sign to promote the center and tenants. A Construction Management Firm, Innovative Construction Solutions (ICS) has been hired and is preparing plans for the build-out of available tenant spaces, including space for the Education and Workforce Center (Harper College, Elgin Community College and Worknet), and façade renovation. During the year, design plans and proposals were also received to replace a portion of the shopping center roof and will be completed during Fiscal Year 2014B.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hanover Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending April 30, 2013. This was the 23rd 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 2014 budget document. This was also the 23rd consecutive year the Village received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's document was judged to be proficient in several categories, including a policy document, a financial plan, an operational guide, and a communication device.

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

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

Respectfully submitted,



Rebekah B. Flakus, CPA
Director of Finance

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended April 30, 2014, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of April 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Naperville, Illinois
September 10, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities and deferred inflows at April 30, 2014 by \$104,216,439 (net position). Of this amount, \$23,236,406 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$4,392,721 during the fiscal year.
- The governmental activities net position increased by \$3,536,879 to \$68,693,013. The governmental activities unrestricted net position increased \$2,875,133 to \$14,654,715.
- The business-type activities net position increased by \$855,842 to \$35,523,426.
- The Village's combined governmental funds ending fund balance increased by \$2,874,419 to \$17,707,979 as of April 30, 2014.
- At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$11,611,884 or 39.03% of General Fund Fiscal Year 2014 budgeted expenditures and other financing uses.
- The Village's total long-term debt, including net pension obligation and compensated absences liability, decreased by \$696,381 to \$24,588,500 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving.

The Statement of Activities presents information showing how the Village's net position changed during the most recent 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 position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 16-55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets exceeded its liabilities by \$104,216,439 as of April 30, 2014. The largest portion of the Village's net position reflects its investment in capital assets (\$75,685,098 or 72.6%), including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (\$5,294,935 or 5.08%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$23,236,406 or 22.2%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities.

The Village's combined net position increased by \$4,392,721 as a result of the governmental activities increasing \$3,536,879 and business-type activities increasing \$855,842.

The net position of business-type activities totaled \$35,523,426, an increase of \$855,842 from Fiscal Year 2013. The increase is primarily due to a reduction in overall operating expenses.

The unrestricted net position of \$8,581,691 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its shopping center and commuter parking programs. For more detailed information see the Statement of Net Position on page 3.

Village of Hanover Park, Illinois
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The following table reflects the condensed Statement of Net Positions:

<u>Village of Hanover Park</u>						
<u>Statement of Net Position as of April 30, 2014</u>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
Assets						
Current and Other Assets	\$ 31,359,232	\$ 35,607,192	\$ 8,945,529	\$ 10,359,448	\$ 40,304,761	\$ 45,966,640
Capital Assets	69,835,896	69,220,781	28,977,299	28,225,709	98,813,195	97,446,490
Total Assets	101,195,128	104,827,973	37,922,828	38,585,157	139,117,956	143,413,130
Liabilities						
Current Liabilities	2,962,957	2,823,752	1,472,935	1,537,420	4,435,892	4,361,172
Long-Term Liabilities	23,502,572	23,064,189	1,782,309	1,524,311	25,284,881	24,588,500
Total Liabilities	26,465,529	25,887,941	3,255,244	3,061,731	29,720,773	28,949,672
Deferred Inflows						
Unavailable Property Taxes	9,573,465	10,247,019	-	-	9,573,465	10,247,019
Total Liabilities and Deferred Inflows	36,038,994	36,134,960	3,255,244	3,061,731	39,294,238	39,196,691
Net Position						
Net Investment in Capital Assets	48,546,851	48,743,363	27,371,016	26,941,735	75,917,867	75,685,098
Restricted	4,829,701	5,294,935	-	-	4,829,701	5,294,935
Unrestricted	11,779,582	14,654,715	7,296,568	8,581,691	19,076,150	23,236,406
Total Net Position	\$ 65,156,134	\$ 68,693,013	\$ 34,667,584	\$ 35,523,426	\$ 99,823,718	\$ 104,216,439

Changes in Net Position

Governmental Activities

Governmental activities net position decreased by \$3,536,879 from \$65,156,134 in Fiscal Year 2013 to \$68,693,013 in Fiscal Year 2014. Key elements contributing to this net change are as follows:

Revenues

For the Fiscal Year ended April 30, 2014 revenues from governmental activities totaled \$35,129,819, an increase of \$3,089,630. This represents a change of 9.6%. Property taxes continue to be the Village's largest revenue source totaling \$13,729,431 and representing 39.1% of total governmental activity revenue. Other Taxes, including sales tax, utility tax, food and beverage tax, hotel tax, and real estate transfer tax total \$12,314,202 or 35.1% of the total governmental activities revenues. Intergovernmental revenues, including State Income Tax and Replacement Tax, represent 10.5%.

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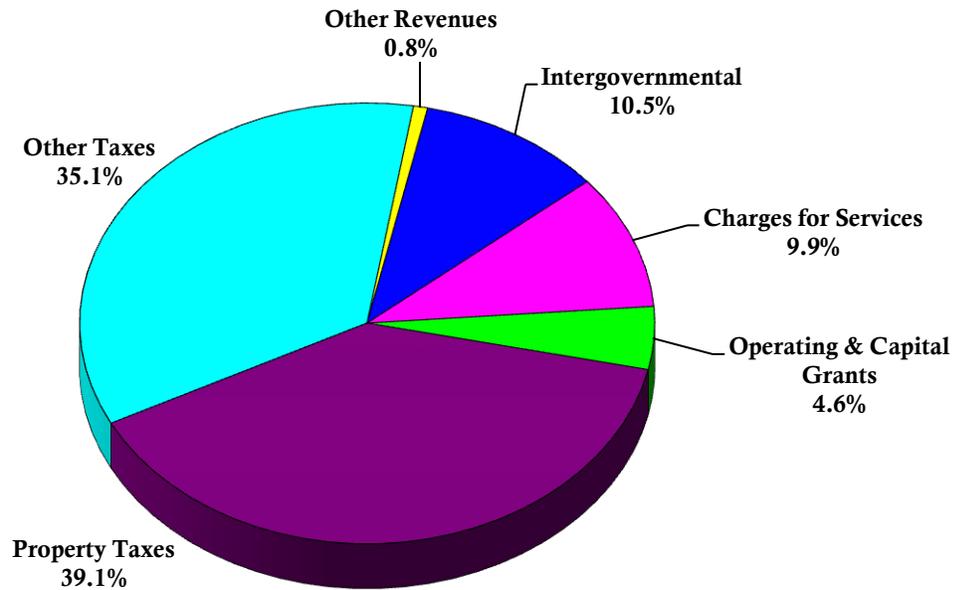
Village of Hanover Park
Changes in Net Position for the Fiscal Year Ended April 30, 2014

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 3,376,367	\$ 3,508,926	\$ 11,197,208	\$ 12,159,194	\$ 14,573,575	\$ 15,668,120
Operating Grants	1,228,338	1,343,393	-	-	1,228,338	1,343,393
Capital Grants	318,006	266,197	688,932	180,126	1,006,938	446,323
General Revenues						
Property Taxes	13,110,176	13,729,431	-	-	13,110,176	13,729,431
Other Taxes	10,379,315	12,314,202	-	-	10,379,315	12,314,202
Intergovernmental	3,422,147	3,700,323	-	-	3,422,147	3,700,323
Other Revenue	205,840	267,347	63,056	18,904	268,896	286,251
Total Revenues	32,040,189	35,129,819	11,949,196	12,358,224	43,989,385	47,488,043
Expenses						
General Government	4,988,649	4,297,802	-	-	4,988,649	4,297,802
Public Works	4,070,954	4,211,656	-	-	4,070,954	4,211,656
Public Safety	18,014,749	18,224,677	-	-	18,014,749	18,224,677
Community Development	711,260	681,395	-	-	711,260	681,395
Highways and Streets	3,946,982	3,522,824	-	-	3,946,982	3,522,824
Interest	1,054,210	1,076,381	-	-	1,054,210	1,076,381
Water and Sewer	-	-	8,976,177	9,998,473	8,976,177	9,998,473
Commuter Parking Lot	-	-	280,836	387,584	280,836	387,584
Hanover Square	-	-	694,736	694,530	694,736	694,530
Total Expenses	32,786,804	32,014,735	9,951,749	11,080,587	42,738,553	43,095,322
Change in Net Position before Transfers	(746,615)	3,115,084	1,997,447	1,277,637	1,250,832	4,392,721
Net Transfers	315,418	421,795	(315,418)	(421,795)	-	-
Change in Net Position	(431,197)	3,536,879	1,682,029	855,842	1,250,832	4,392,721
Net Position, May 1	65,811,675	65,156,134	32,985,555	34,667,584	98,797,230	99,823,718
Prior Period Adjustment	(224,344)	-	-	-	(224,344)	-
Net Position, May 1, Restated	65,587,331	65,156,134	32,985,555	34,667,584	98,572,886	99,823,718
Net Position, April 30	\$ 65,156,134	\$ 68,693,013	\$ 34,667,584	\$ 35,523,426	\$ 99,823,718	\$ 104,216,439

Property Tax revenues increased by \$619,255 to \$13,729,431 in Fiscal Year 2014, compared to \$13,110,176 received in Fiscal Year 2013. This increase resulted primarily from additional property tax levy amounts for the scheduled principal and interest payments on the General Obligation Debt Service Bonds. General Fund Property Tax revenues also increased due to Village Board approved 4.99% property tax increase.

Sales and Use Tax revenues have increased from the prior fiscal year by \$1,854,625 in Fiscal Year 2014. The significant increase is due to an anticipated home rule sales tax increase which began in July, 2013. Sales tax revenues slightly increased as well, showing some signs of increased consumer spending. The real estate transfer tax revenues have also increased by 25.1% from \$203,400 in Fiscal Year 2013 to \$254,394 this year, reflecting an increase in the total number and amount of real estate sales being sold within the Village. Another positive reflection that the economic downturn is turning around is that intergovernmental tax revenues increased by 8.1% or \$278,176. The increase is due to an increase in income tax revenues distributed by the state of Illinois, showing Illinois residents are earning more and working more compared to Fiscal Year 2013.

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



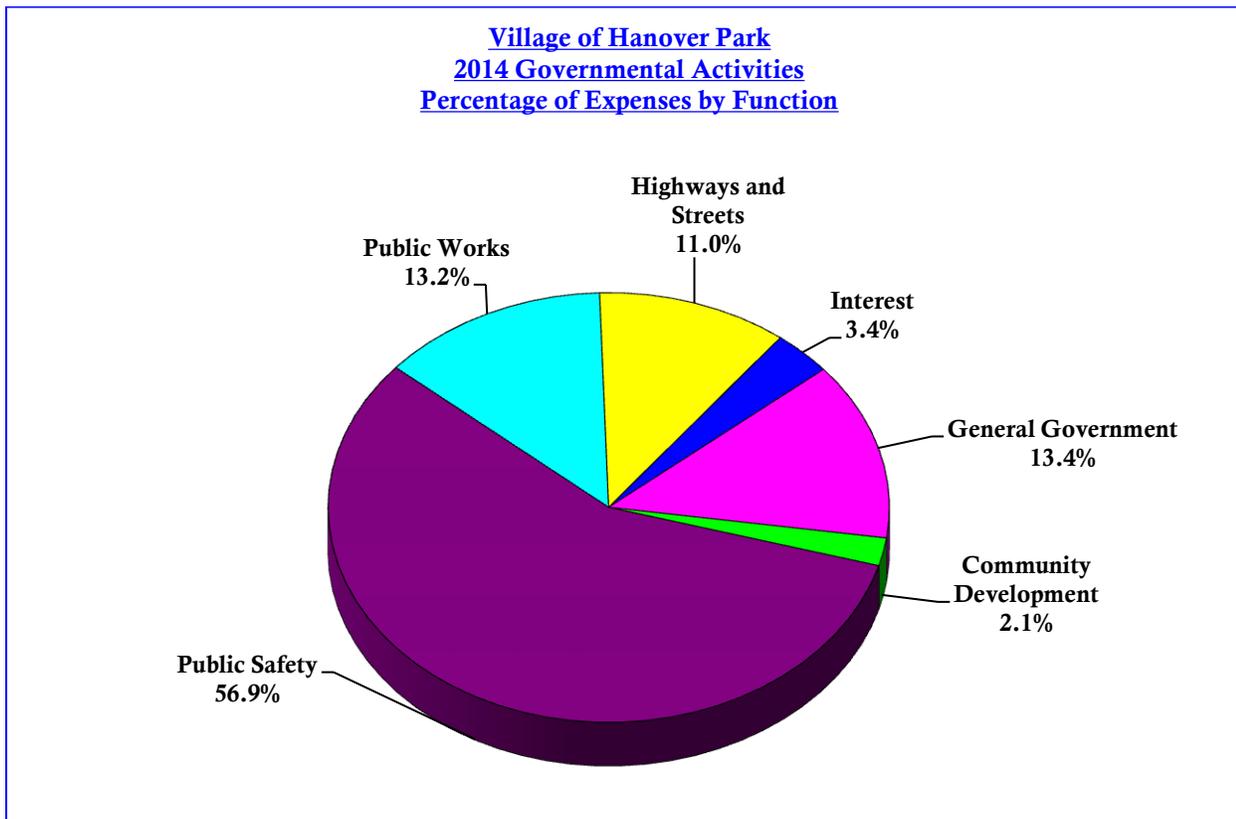
**Village of Hanover Park
 Changes in Select Governmental Activities Revenues**

	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2013	2014		
Sales and Use Tax	\$ 7,394,170	\$ 9,248,795	\$ 1,854,625	25.1%
State Income Tax	3,422,147	3,700,323	278,176	8.1%
Utility Taxes	1,621,854	1,588,171	(33,683)	-2.1%
Real Estate Transfer Tax	203,400	254,394	50,994	25.1%

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Expenses

For the fiscal year ended April 30, 2014, expenses from governmental activities totaled \$32,014,735 a decrease of \$772,069 from Fiscal Year 2013. General Government expenses decreased by \$690,847 in Fiscal Year 2014 due to a reduction in personal services costs. As Village staffing left, the positions were held open for a short period of time to aid in the reduction of expenses. Highways & Streets expenses also declined due to a reduction in the purchase of salt. The Village utilized its reserves of salt purchased in previous years instead of purchasing additional salt and de-icing products.



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Village of Hanover Park
Changes in Select Governmental Activities Expenditures

	Fiscal Year		Increase	% Increase
	2013	2014	(Decrease)	(Decrease)
General Government	\$ 4,988,649	\$ 4,297,802	\$ (690,847)	-13.8%
Community Development	\$ 711,260	\$ 681,395	(29,865)	-4.2%
Public Safety	\$ 18,014,749	\$ 18,224,677	209,928	1.2%
Public Works	\$ 4,070,954	\$ 4,211,656	140,702	3.5%
Highways & Streets	3,946,982	3,522,824	(424,158)	-10.7%
Interest	1,054,210	1,076,381	22,171	2.1%
Total Expenditures	32,786,804	32,014,735	(772,069)	-2.4%

Business-Type Activities

Business-type activities net position increased \$855,842 to \$35,523,426. Key elements of this net change are as follows:

Revenues

Water Revenue increased \$836,400 or 29.4%, from \$7,007,765 in fiscal year 2013 to \$7,844,165 in fiscal year 2014, mainly due to scheduled water rate increases. Sewer Service revenues decreased from \$2,685,114 in fiscal year 2013 to \$2,649,219 in Fiscal Year 2014 due to an overall decrease in water usage. The Village continued the treatment of leachate from an IEPA regulated landfill that closed in 1999. The landfill is adjacent to our wastewater treatment plant. Fiscal year 2014 revenues increased from \$175,595 to \$212,134 due to an increase in the volume of leachate being treated. Interest revenue continues to remain low due to the economic downturn, but did increase this year from \$10,295 to \$10,428.

Operating revenues for the Municipal Railroad Parking Lot Fund increased \$53,739 or 16.9% from \$317,446 to \$371,185. The increase in revenues is beginning to show signs of commuters utilizing the train as a primary mode of transportation. Overall sales have increased for the fund.

Hanover Square rental and other income increased by \$221,159 or 33.0% due to reimbursements for capital improvements on the shopping center's roof from Tax Increment Financing (TIF) District #3. Any reimbursements of expenses are shown as revenue received within the fund.

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<u>Village of Hanover Park</u> <u>Business-Type Activities Operating Revenues & Expenses</u>				
	Operating Revenues	Operating Expenses	Net Income/(Loss)	% Increase (Decrease)
Waterworks & Sewerage	\$ 11,077,306	\$ 9,954,865	\$ 1,122,441	10.1%
Municipal Railroad Parking Lot	371,185	387,584	(16,399)	-4.4%
Hanover Square	710,703	694,530	16,173	2.3%
Total Business-Type Activities	\$ 12,159,194	\$ 11,036,979	1,122,215	9.2%

Expenses

Expenses from all business-type activities totaled \$11,036,979, a decrease of \$43,608, or 0.4% compared to \$11,080,587 in Fiscal Year 2013. This decrease is mostly due to expense reductions in the Waterworks and Sewage and the Commuter Lot Funds.

The Commuter Lot expenses increased because of a slight increase in personal services and new parking lot repairs were completed this year. In Fiscal Year 2013, the price for parking was increased in anticipation of needed improvements within the lot. These fee increases were used to offset the increases in expenses, but in Fiscal Year 2014 the revenues received weren't enough to support all the expenses within the year, causing a net operating loss of \$16,399. Fund reserves were used to support the loss.

Operating Revenues in the Waterworks and Sewerage Fund currently exceed operating expenses. Over the past few years, operating expenses have exceeded the operating revenues within the Waterworks and Sewerage Fund with the intent of the Village to utilize Fund reserves and to prevent the residents from increases in water rates. During Fiscal Year 2012, the City of Chicago increased its water rates, pushing the increase through JAWA, the Village's water supplier. Due to keeping the rates lower in previous years and utilizing excess reserves, the Village couldn't absorb Chicago's increase and a new water rate study was done in January 2012 to determine a new water rate increase structure to offset these increased costs. Once the new water rate structure was in place, the operating revenues began to increase and in Fiscal Year 2013 the revenues exceeded operating expenses.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds

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

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As of the end of the current fiscal year, the governmental funds reflect a combined fund balance of \$17,707,979, an increase of \$2,874,419 from the prior year. Of the total fund balance, \$11,173,803 is unassigned indicating availability for continuing Village services. \$1,114,638 of the total governmental fund balance is considered to be non-spendable for prepaid expense, inventories and advances. \$134,940 remaining of fund balance is restricted for Public Safety.

General Fund			
Comparison of the Results of Operations and the			
Unreserved/Unrestricted Fund Balance Fiscal Years 2012-2014			
	2012	2013	2014
Revenues and Transfers	\$ 30,351,147	\$ 27,173,004	\$ 30,627,230
Expenditures and Transfers	29,231,295	27,019,834	27,935,787
Results of Operations	1,119,852	153,170	2,691,443
Fund Balance - Beginning	8,896,967	\$10,016,819	\$10,169,989
Fund Balance - Ending	\$10,016,819	\$10,169,989	\$12,861,432
Reserved/Nonspendable and Restricted	\$2,243,296	1,696,107	1,249,548
Unrestricted/Unassigned	7,773,523	8,473,882	11,611,884
Total Fund Balance	\$10,016,819	\$10,169,989	\$12,861,432
Unreserved Fund Balance as a			
Percentage of Budgeted Expenditures	27.99%	28.48%	39.03%

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the General Fund increased \$2,691,443 to \$12,861,432, of which \$11,611,884 is the unrestricted amount. The increase is due primarily to a decrease in personal services, with positions being intentionally held open to reduce costs and due to the timing of capital projects. The Village's new software system was not completed in Fiscal Year 2014 therefore the full expense of \$1.2 million was not spent. The remaining amount of this capital project will be added into the next fiscal year as a budget amendment. These large variances will cause expenditures in the next year to exceed the original budgeted amounts. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is for items stated in the previous paragraph. Above is a chart showing a history of the General Fund unrestricted/unassigned fund balance.

Tax Increment Financing District (TIF) #3 also showing a significant increase in fund balance. This is primarily due to an increase in property tax increment revenues received. The fund balance increased \$609,218 from \$1,573,187 in Fiscal Year 2013 to \$2,182,405 in Fiscal Year 2014.

Special Service Area (SSA) #5 that covers the Greenbrook Tranglewood subdivision experienced an increase in fund balance of \$25,083. Significant capital improvements are being completed in this special service area including a multi-year lighting project that will continue over the next couple years.

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Proprietary Funds

As of April 30, 2014 the Enterprise Funds total net position increased by \$855,842 or 2.5% to \$35,523,426. Water Sales increased by 11.9%, mainly due to planned water rate increases. Other charges for services increased as well to account for the increase in net position.

<u>Village of Hanover Park</u>				
<u>Waterworks and Sewerage Fund Revenues</u>				
	Fiscal Year		Increase	% Increase
	2013	2014	(Decrease)	Decrease
Water Sales	\$ 7,007,765	\$ 7,844,165	\$ 836,400	11.9%
Sewer Sales	2,685,114	2,649,219	(35,895)	-1.3%
Leachate Treatment	175,595	212,134	36,539	20.8%
Interest	10,295	8,073	(2,222)	-21.6%
Other Revenues	1,004,466	382,216	(622,250)	-61.9%
Total	<u>\$ 10,883,235</u>	<u>\$ 11,095,807</u>	<u>\$ 212,572</u>	<u>2.0%</u>

The Municipal Railroad Parking Lot Fund actual revenues exceeded actual expenditures in Fiscal Year 2014. Total revenues increased \$53,739 or 16.9% compared to the prior fiscal year indicating an increase in parking lot use and the increase in daily parking fees. The increase in revenues was offset by planned contractual service and capital improvements within the fund. The overall net position on April 30, 2014 decreased \$16,212 from the prior year.

Hanover Square Shopping Center Fund was created during Fiscal Year 2012 with the purchase of the Shopping Center. Revenues and expenditures have increased significantly since the fund's inception because Fiscal Year 2012 only included about four months of activity. Fiscal Year 2013 and 2014 financial statements include a full fiscal year. Revenues increased from \$669,670 in Fiscal Year 2013 to \$710,703 with the majority coming from rental income. Expenditures remained relatively stagnant compared to the prior year, decreasing by \$206 to \$694,530. The change in net position during the year increased by \$196,515, leaving the Fiscal Year 2014 ending net position at \$3,056,178.

Internal Service Funds

The net position of this fund increased because of the increased funding levels from the General Fund and the Water and Sewer Fund and a significant decrease in operating expenses compared to the budgeted amount. Several purchases budgeted were not received by April 30th, therefore were not included in the total expenses. These two factors resulted in operating revenues exceeding expenses by \$734,388. The General Fund and Waterworks & Sewerage continues to fund the Central Equipment Fund again. Inter-fund transfers of \$942,097 were transferred into the fund throughout the year and only \$207,709 was spent on equipment purchases. The remaining equipment and vehicle purchases from Fiscal Year 2014 will be received in the next fiscal year, causing a significant increase to expenses. Overall, the net position of the fund increased \$460,938 from \$6,864,581 to \$7,325,519.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues were \$1,473,182 more than the final budgeted amounts. Overall, tax revenues, including property, sales, real estate and utility taxes, exceeded the final budget by a total of \$622,808. Property tax revenues were over budget due to the timing of property tax receipts and reassessments which were prevalent in Fiscal Year 2013 and budgeted in Fiscal Year 2014 were not received this Fiscal Year. Also, the entire 2013 levy is included in the budget, less the budgeted assessment refunds, although only approximately one quarter is recognized as revenue in the fiscal year. The remainder of the property tax revenue is collections from the 2012 tax levy. Municipal and Home Rule Sales Tax revenues were \$106,071 more than the budgeted amount, partially due to about a 1% increase in retail sales throughout Hanover Park. In addition, actual Real Estate Transfer Tax revenues were \$22,972 under the budgeted amount and Food and Beverage Revenues were \$40,833 less. Income Tax revenues exceeded the budgeted amount by \$358,699. The increase indicates more residents are working and earning incomes.

Expenditures within the General Fund were \$1,291,894 or 4.6% less than the final budgeted amount. Throughout the year, the revenues are examined to see where they are trending at. Revenues were initially trending less than previous years. To be more fiscally responsible and to reflect reduced revenues, all Departments/Divisions within the General Fund reduced remaining Fiscal Year expenditures including Human Resources, Information Technology, Finance, Public Works and Fire Departments. Open positions were left intentionally unfilled for a period of time and contractual services and capital projects were delayed unless absolutely necessary. Towards the end of the year, when revenues began trending higher than the budgeted amounts, staff remained fiscally responsible, causing a significant increase in the Village's General Fund unrestricted fund balance. The General Fund and Water and Sewage Fund reimburse the General Capital Projects Fund for budgeted purchases. Expenditures within the General Capital Projects were postponed throughout the year depending on the revenue trends, which reduced costs within the General Fund. One of the Capital Projects not completed was the Village's new software system (ERP), which will be fully completed in the upcoming fiscal year.

<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2014	2014	Actual	
	Original Budget	Final Budget	2014	2013
Revenues	\$ 29,154,048	\$ 29,154,048	\$ 30,627,230	\$ 26,898,410
Expenditures	28,205,175	28,205,175	26,913,281	26,353,864
Excess of Revenues over Expenditures	\$ 948,873	\$ 948,873	\$ 3,713,949	\$ 544,546
Other Financing Sources (Uses)	(555,925)	(1,151,868)	(1,022,506)	(391,376)
Net Change in Fund Balance	<u>\$ 392,948</u>	<u>\$ (202,995)</u>	<u>\$ 2,691,443</u>	<u>\$ 153,170</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, and infrastructure. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$97,446,490. This amount represents a net decrease (including additions and deductions) of \$1,366,705 from the prior year.

<u>Village of Hanover Park</u> <u>Capital Assets (Net of Depreciation)</u>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Land	\$ 28,870,722	\$ 28,872,926	\$ 4,150,013	\$ 4,150,013	\$ 33,020,735	\$ 33,022,939
Construction in progress	44,759	173,826	287,011	399,425	331,770	573,251
Buildings	23,925,291	23,348,595	7,763,433	7,518,076	31,688,724	30,866,671
Improvements other than Buildings	2,162,251	2,021,168	6,059,689	5,811,207	8,221,940	7,832,375
Machinery and Equipment	4,542,177	5,102,056	1,604,232	1,512,575	6,146,409	6,614,631
Infrastructure	10,290,696	9,702,210	9,112,921	8,834,413	19,403,617	18,536,623
Total	\$ 69,835,896	\$ 69,220,781	\$ 28,977,299	\$ 28,225,709	\$ 98,813,195	\$ 97,446,490

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

- New police, public works, and fire vehicles were purchased.
- Renovations to Village Hall continued.
- Improvements have been made to the Hanover Square Shopping Center along Barrington Road.
- Properties were acquired within Tax Increment Financing (TIF) District # 3.

The governmental activities net capital assets decreased from last year by \$615,115, primarily due to the increase in accumulated depreciation reducing the overall impact on net capital assets. Business-type activities net capital assets decreased from last year by \$751,590 also because of the capital asset additions were less than the accumulated depreciation. Construction in Progress increased \$112,414 in Fiscal Year 2014 due to the ongoing improvements at the Hanover Square Shopping Center. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements on pages 31-32.

Long-Term Debt

<u>Village of Hanover Park</u>						
<u>Outstanding Debt</u>						
<u>General Obligation Bonds, Revenue Bonds, Loans, and Notes</u>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
General Obligation Bonds	\$ 21,300,000	\$ 20,490,000	\$ -	\$ -	\$ 21,300,000	\$ 20,490,000
IEPA Loan	-	-	1,606,283	1,283,974	1,606,283	1,283,974
Total	<u>\$ 21,300,000</u>	<u>\$ 20,490,000</u>	<u>\$ 1,606,283</u>	<u>\$ 1,283,974</u>	<u>\$ 22,906,283</u>	<u>\$ 21,773,974</u>

The Village currently has three general obligation bond series and two Illinois EPA loan series outstanding. The Village's total outstanding debt, excluding the net pension obligation and compensated absences liability, decreased by \$1,132,309 or 4.94% compared to the prior fiscal year. The key factor in this decrease was due to principal and interest payments. No additional debt was incurred during Fiscal Year 2014.

The Village, under its home rule authority, does not have a legal debt limit. During Fiscal Year 2010, the Village obtained a bond rating of AA from Standard & Poor's which was an upgrade from their 2007 rating of AA-. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 34-36.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

The Village's composition is primarily residential with a smaller commercial component. The commercial component of the Village includes building material sales, discount grocery stores, restaurants, and other retail businesses. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. Other tax revenues, including municipal and home-rule sales tax is expected to increase in Fiscal year 2014B due to a new hardware business opening in late Fiscal Year 2014. State income tax revenue, state-shared revenue, is expected to remain relatively constant.

Real estate transfer tax revenues are expected to slightly increase but still remain low during Fiscal Year 2014B due to the continued reduction in residential property values. The number of real estate transfer stamps has increased this year and is expected to continue to increase, but the majority of the revenue generated will be at the lower exempt rate. Foreclosed homes and reduced sale prices have greatly affected this revenue, but it is anticipated over the next few years that the average price of residential homes will increase.

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

Budgeted expenditures include increases due to salary adjustments which are part of employee labor agreements. Employee health insurance and pension costs have increased over the last year, and they are expected to increase in Fiscal Year 2014B. Insurance costs were reduced in previous fiscal years due to a withdrawal from the Village's terminal reserve with Intergovernmental Personnel Benefit Cooperative (IPBC). The withdrawal affected Fiscal Year 2013 and 2014, but will not be a source of cost savings in Fiscal Year 2014B. Contractual Services expenditures are expected to increase significantly with the mindset to work with consultants to help develop areas within the community, including additional Emerald Ash Borer tree removal/replanting and landscaping along the Village's signs and roadways. Capital Outlay is also expected to increase in Fiscal Year 2014B when the upgraded Software System is fully implemented and expensed.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,035,501	\$ 7,481,219	\$ 27,516,720
Receivables (net of allowances for uncollectibles)			
Property taxes	10,247,019	-	10,247,019
Accounts	1,185,105	2,383,684	3,568,789
Accrued interest	26,757	585	27,342
Other	-	237,583	237,583
Prepaid expenses	496,679	159,191	655,870
Inventory	42,553	-	42,553
Due from other governments	3,372,131	-	3,372,131
Due to/from other funds	(97,186)	97,186	-
Net pension asset	298,633	-	298,633
Capital assets			
Nondepreciable	29,046,752	4,549,438	33,596,190
Depreciable, net of accumulated depreciation	40,174,029	23,676,271	63,850,300
Total assets	104,827,973	38,585,157	143,413,130
LIABILITIES			
Accounts payable	1,140,815	1,300,547	2,441,362
Accrued payroll	374,714	79,467	454,181
Contractors' payable	1,487	29,721	31,208
Accrued interest	395,276	5,884	401,160
Deposits	-	16,625	16,625
Unearned revenue	166,507	84,670	251,177
Due to other governments	106,939	-	106,939
Other payables	638,014	20,506	658,520
Long-term liabilities			
Due within one year	932,905	337,402	1,270,307
Due in more than one year	22,131,284	1,186,909	23,318,193
Total liabilities	25,887,941	3,061,731	28,949,672
DEFERRED INFLOWS OF RESOURCES			
Unearned property taxes	10,247,019	-	10,247,019
Total deferred inflows of resources	10,247,019	-	10,247,019
Total liabilities and deferred inflows of resources	36,134,960	3,061,731	39,196,691
NET POSITION			
Net investment in capital assets	48,743,363	26,941,735	75,685,098
Restricted for			
Public safety	134,910	-	134,910
Highways and streets	2,209,953	-	2,209,953
Debt service	488,704	-	488,704
Community development	2,182,405	-	2,182,405
Special service areas	278,963	-	278,963
Unrestricted	14,654,715	8,581,691	23,236,406
TOTAL NET POSITION	\$ 68,693,013	\$ 35,523,426	\$ 104,216,439

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,297,802	\$ 1,212,828	\$ -	\$ -
Community development	681,395	61,714	-	-
Public safety	18,224,677	1,989,029	30,345	3,345
Public works	4,211,656	245,355	70,000	260,752
Highways and streets	3,522,824	-	1,243,048	2,100
Interest	1,076,381	-	-	-
Total governmental activities	32,014,735	3,508,926	1,343,393	266,197
Business-Type Activities				
Water and sewer	9,998,473	11,077,306	-	-
Parking	387,584	371,185	-	-
Hanover Square	694,530	710,703	-	180,126
Total business-type activities	11,080,587	12,159,194	-	180,126
TOTAL PRIMARY GOVERNMENT	\$ 43,095,322	\$ 15,668,120	\$ 1,343,393	\$ 446,323

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (3,084,974)	\$ -	\$ (3,084,974)
	(619,681)	-	(619,681)
	(16,201,958)	-	(16,201,958)
	(3,635,549)	-	(3,635,549)
	(2,277,676)	-	(2,277,676)
	(1,076,381)	-	(1,076,381)
	(26,896,219)	-	(26,896,219)
	-	1,078,833	1,078,833
	-	(16,399)	(16,399)
	-	196,299	196,299
	-	1,258,733	1,258,733
	(26,896,219)	1,258,733	(25,637,486)
General Revenues			
Taxes			
Property	13,729,431	-	13,729,431
Replacement	94,867	-	94,867
Sales and local use	9,248,795	-	9,248,795
Utility	1,588,171	-	1,588,171
Hotel/motel	43,687	-	43,687
Food and beverage	1,036,661	-	1,036,661
Real estate transfer	254,394	-	254,394
Other taxes	47,627	-	47,627
Intergovernmental	3,700,323	-	3,700,323
Investment income	153,820	8,476	162,296
Miscellaneous	113,527	10,428	123,955
Transfers in (out)	421,795	(421,795)	-
Total	30,433,098	(402,891)	30,030,207
CHANGE IN NET POSITION	3,536,879	855,842	4,392,721
NET POSITION, MAY 1	65,156,134	34,667,584	99,823,718
NET POSITION, APRIL 30	\$ 68,693,013	\$ 35,523,426	\$ 104,216,439

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2014

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
ASSETS				
Cash and investments	\$ 9,000,408	\$ 1,395,928	\$ 4,960,386	\$ 15,356,722
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	8,692,854	-	1,554,165	10,247,019
Accounts	1,092,770	923	91,412	1,185,105
Accrued interest	20,388	4,281	108	24,777
Prepaid items	496,679	-	-	496,679
Inventory	42,553	-	-	42,553
Due from other governments	3,302,127	70,004	-	3,372,131
Due from other funds	165,777	-	-	165,777
Advances to other funds	575,406	-	-	575,406
TOTAL ASSETS	\$ 23,388,962	\$ 1,471,136	\$ 6,606,071	\$ 31,466,169
LIABILITIES				
Accounts payable	\$ 437,162	\$ 134,837	\$ 548,863	\$ 1,120,862
Contractors' payable	-	-	1,487	1,487
Accrued payroll	371,849	2,865	-	374,714
Unearned revenue	36,507	-	130,000	166,507
Due to other governments	106,939	-	-	106,939
Other payables	617,940	-	20,074	638,014
Due to other funds	-	477	262,486	262,963
Advances from other funds	-	-	575,406	575,406
Total liabilities	1,570,397	138,179	1,538,316	3,246,892
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	8,692,854	-	1,554,165	10,247,019
Unavailable dividends	264,279	-	-	264,279
Total deferred inflows of resources	8,957,133	-	1,554,165	10,511,298
Total liabilities and deferred inflows of resources	10,527,530	138,179	3,092,481	13,758,190
FUND BALANCES				
Nonspendable				
Inventory	42,553	-	-	42,553
Prepaid items	496,679	-	-	496,679
Advances to other funds	575,406	-	-	575,406
Restricted				
Public safety	134,910	-	-	134,910
Highways and streets	-	1,332,957	876,996	2,209,953
Debt service	-	-	488,704	488,704
Community development	-	-	2,182,405	2,182,405
Special service areas	-	-	278,963	278,963
Unrestricted				
Assigned				
Capital improvements	-	-	124,603	124,603
Unassigned (deficit)	11,611,884	-	(438,081)	11,173,803
Total fund balances	12,861,432	1,332,957	3,513,590	17,707,979
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,388,962	\$ 1,471,136	\$ 6,606,071	\$ 31,466,169

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 17,707,979
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	69,220,781
Less amount reported in internal service funds below	(2,664,713)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(20,490,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	12,582
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(395,276)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(1,158,108)
Net pension asset for the Police Pension Fund is shown as an asset on the statement of net position	298,633
Net pension obligation for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(114,784)
Net other postemployment benefits obligations is due and payable in the current period and, therefore, are not reported in the governmental funds	(1,313,879)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	264,279
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>7,325,519</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 68,693,013</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2014

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
REVENUES				
Taxes	\$ 22,985,682	\$ -	\$ 2,963,083	\$ 25,948,765
Licenses and permits	1,138,365	-	-	1,138,365
Charges for services	1,764,636	-	-	1,764,636
Fines and forfeits	590,966	-	-	590,966
Intergovernmental	3,853,115	1,105,799	421,144	5,380,058
Investment income	143,361	4,474	5,985	153,820
Miscellaneous	151,105	-	2,104	153,209
Total revenues	30,627,230	1,110,273	3,392,316	35,129,819
EXPENDITURES				
Current				
General government	5,247,701	-	-	5,247,701
Community development	333,776	-	326,550	660,326
Public safety	17,837,161	-	-	17,837,161
Public works	3,494,643	-	-	3,494,643
Highways and streets	-	646,360	150,013	796,373
Capital outlay	-	767,404	1,978,452	2,745,856
Debt service				
Principal retirement	-	-	810,000	810,000
Interest	-	-	1,083,351	1,083,351
Fiscal charges	-	-	1,784	1,784
Total expenditures	26,913,281	1,413,764	4,350,150	32,677,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,713,949	(303,491)	(957,834)	2,452,624
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,444,301	1,444,301
Transfers (out)	(1,022,506)	-	-	(1,022,506)
Total other financing sources (uses)	(1,022,506)	-	1,444,301	421,795
NET CHANGE IN FUND BALANCES	2,691,443	(303,491)	486,467	2,874,419
FUND BALANCES, MAY 1	10,169,989	1,636,448	3,027,123	14,833,560
FUND BALANCES, APRIL 30	\$ 12,861,432	\$ 1,332,957	\$ 3,513,590	\$ 17,707,979

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

For the Year Ended April 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,874,419
Amounts reported for governmental activities in the statement activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,366,007
Certain revenues are deferred in governmental funds but not in governmental activities	30,268
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	810,000
The decrease in accrued interest payable is shown as an addition to expense on the statement of activities	7,127
Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,135,195)
Amortization	1,627
Less amount reported in internal service funds below	491,831
The decrease in net pension asset is reported as an increase in expense on the statement of activities	3,101
The increase in net pension obligation is reported as an increase in expense on the statement of activities	(1,511)
The increase in the compensated absences liability is an expense on the statement of activities	(209,434)
The change in net other postemployment benefits obligations are reported only in the statement of activities	(162,299)
The change in net position of certain activities of internal service funds is in governmental funds	<u>460,938</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,536,879</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

April 30, 2014

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 7,063,005	\$ 418,214	\$ 7,481,219	\$ 4,678,779
Receivables				
Accounts	2,356,383	27,301	2,383,684	-
Accrued interest	585	-	585	1,980
Other	229,694	7,889	237,583	-
Prepaid expenses	149,545	9,646	159,191	-
Due from other funds	-	97,186	97,186	-
Total current assets	9,799,212	560,236	10,359,448	4,680,759
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	937,116	3,612,322	4,549,438	-
Depreciable, net of accumulated depreciation	21,796,948	1,879,323	23,676,271	2,664,713
Total noncurrent assets	22,734,064	5,491,645	28,225,709	2,664,713
Total assets	32,533,276	6,051,881	38,585,157	7,345,472
CURRENT LIABILITIES				
Accounts payable	911,117	389,430	1,300,547	19,953
Contractors' payable	2,000	27,721	29,721	-
Accrued payroll	73,678	5,789	79,467	-
Accrued interest	5,884	-	5,884	-
Deposits	16,625	-	16,625	-
Unearned revenue	-	84,670	84,670	-
Notes payable - EPA	331,252	-	331,252	-
Other payables	-	20,506	20,506	-
Compensated absences payable	6,150	-	6,150	-
Total current liabilities	1,346,706	528,116	1,874,822	19,953
LONG-TERM LIABILITIES				
Compensated absences	116,825	-	116,825	-
Notes payable - EPA	952,722	-	952,722	-
Net other postemployment benefit obligation	117,362	-	117,362	-
Total long-term liabilities	1,186,909	-	1,186,909	-
Total liabilities	2,533,615	528,116	3,061,731	19,953
NET POSITION				
Net investment in capital assets	21,450,090	5,491,645	26,941,735	2,664,713
Unrestricted	8,549,571	32,120	8,581,691	4,660,806
TOTAL NET POSITION	\$ 29,999,661	\$ 5,523,765	\$ 35,523,426	\$ 7,325,519

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 11,077,306	\$ 1,081,888	\$ 12,159,194	\$ 942,097
Total operating revenues	11,077,306	1,081,888	12,159,194	942,097
OPERATING EXPENSES				
Administration	1,692,831	-	1,692,831	-
Operations	7,312,079	1,017,228	8,329,307	53,636
Depreciation and amortization	949,955	64,886	1,014,841	491,831
Total operating expenses	9,954,865	1,082,114	11,036,979	545,467
OPERATING INCOME (LOSS)	1,122,441	(226)	1,122,215	396,630
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(41,720)	-	(41,720)	-
Investment income	8,073	403	8,476	17,134
Other income	10,428	-	10,428	-
Gain (loss) on disposal of capital assets	(1,888)	-	(1,888)	47,174
Total non-operating revenues (expenses)	(25,107)	403	(24,704)	64,308
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,097,334	177	1,097,511	460,938
TRANSFERS				
Transfer (out)	(421,795)	-	(421,795)	-
Total transfers	(421,795)	-	(421,795)	-
CONTRIBUTIONS	-	180,126	180,126	-
CHANGE IN NET POSITION	675,539	180,303	855,842	460,938
NET POSITION, MAY 1	29,324,122	5,343,462	34,667,584	6,864,581
NET POSITION, APRIL 30	\$ 29,999,661	\$ 5,523,765	\$ 35,523,426	\$ 7,325,519

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2014

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 10,947,998	\$ 1,090,347	\$ 12,038,345	\$ -
Receipts from interfund services	-	-	-	942,097
Payments to suppliers	(6,071,105)	(769,473)	(6,840,578)	(53,636)
Payments to employees	(2,858,200)	(191,358)	(3,049,558)	-
Net cash from operating activities	2,018,693	129,516	2,148,209	888,461
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	-	(97,186)	(97,186)	-
Transfers (out)	(421,795)	-	(421,795)	-
Net cash from noncapital financing activities	(421,795)	(97,186)	(518,981)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(164,056)	67,713	(96,343)	(319,392)
Proceeds from sale of capital assets	-	-	-	47,174
Principal paid on EPA loans	(322,309)	-	(322,309)	-
Interest paid on EPA loans	(41,720)	-	(41,720)	-
Net cash from capital and related financing activities	(528,085)	67,713	(460,372)	(272,218)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(2,863)	-	(2,863)	(162,055)
Interest received	9,992	403	10,395	51,379
Net cash from investing activities	7,129	403	7,532	(110,676)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,075,942	100,446	1,176,388	505,567
CASH AND CASH EQUIVALENTS, MAY 1	5,658,600	317,768	5,976,368	3,465,592
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 6,734,542	\$ 418,214	\$ 7,152,756	\$ 3,971,159

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2014

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 1,122,441	\$ (226)	\$ 1,122,215	\$ 396,630
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization	949,955	64,886	1,014,841	491,831
Other non-operating revenues	10,428	-	10,428	-
Changes in assets and liabilities				
Receivables	(267,156)	(9,944)	(277,100)	-
Prepaid expenses	111,983	25,716	137,699	-
Accounts payable	17,738	29,798	47,536	-
Accrued payroll	2,993	1,787	4,780	-
Contractors deposits	6,000	-	6,000	-
Deferred revenue	-	16,691	16,691	-
Compensated absences	49,814	-	49,814	-
Other payables	-	808	808	-
Net other postemployment benefit obligation	14,497	-	14,497	-
NET CASH FROM OPERATING ACTIVITIES	\$ 2,018,693	\$ 129,516	\$ 2,148,209	\$ 888,461
CASH AND INVESTMENTS				
Cash and cash equivalents	\$ 6,734,542	\$ 418,214	\$ 7,152,756	\$ 3,971,159
Investments	328,463	-	328,463	707,620
TOTAL CASH AND INVESTMENTS	\$ 7,063,005	\$ 418,214	\$ 7,481,219	\$ 4,678,779

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2014

	Pension Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 1,185,425
Investments	
U.S. government and agency obligations	16,006,339
State and local obligations	50,009
Money market mutual funds	310,447
Mutual funds	23,025,761
Illinois Metropolitan Investment Fund	382,734
Receivables	
Accrued interest	73,966
Prepaid items	8,268
	<u> </u>
Total assets	<u>41,042,949</u>
LIABILITIES	
Accounts payable	<u>5,188</u>
	<u> </u>
Total liabilities	<u>5,188</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 41,037,761</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2014

ADDITIONS

Contributions

Employer contributions	\$ 2,645,283
Employee contributions	747,871
Other contributions	<u>111</u>

Total contributions 3,393,265

Investment income

Net appreciation in fair value of investments	2,472,465
Interest	<u>1,024,813</u>

Total investment income 3,497,278
Less investment expense (82,680)

Net investment income 3,414,598

Total additions 6,807,863

DEDUCTIONS

Benefits and refunds	2,750,593
Administrative expenses	<u>62,265</u>

Total deductions 2,812,858

NET INCREASE 3,995,005

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1 37,042,756

April 30 \$ 41,037,761

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hanover Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

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

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

Police Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

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

b. Fund Accounting

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

c. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

Additionally, the Village reports the following internal service fund:

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

The Village reports the following fiduciary funds:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. All other investments, including all investments of the pension trust funds, are reported at fair value at April 30. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Village's fair value of the pool.

f. Interfund Receivables/Payables

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

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

g. Inventories

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

h. Prepaid Items/Expenses

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

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

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

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

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

j. Compensated Absences

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

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

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

l. Fund Equity/Net Position

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Equity/Net Position (Continued)

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

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

m. Interfund Transactions

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

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

n. Deferred Outflows/Inflows of Resources

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

p. Use of Estimates

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

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The Special Service Area #6, Tax Increment Financing #4, Tax Increment Financing #5, and GO Bond 2010A Funds reported deficit fund balances of \$323,199, \$14,537, \$16,157, and \$84,188 respectively. These deficits are expected to be funded by future tax levies.

3. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the Village adopted by the Village Board and one policy each for the Police and Firefighters' Pension Funds approved by their respective boards.

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

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

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits with Financial Institutions

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

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 101,665	\$ -	\$ 101,665	\$ -	\$ -
TOTAL	\$ 101,665	\$ -	\$ 101,665	\$ -	\$ -

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

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and the other securities noted above. IMET and Illinois Funds are rated AAA by Standard and Poor's.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. Illinois Funds and the money market mutual fund are not subject to custodial credit risk.

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

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

Diversification by Financial Institution

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

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

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

c. Police and Firefighters' Pension Funds Deposits with Financial Institutions

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

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 6,602,147	\$ 1,277,612	\$ 4,085,243	\$ 1,239,292	\$ -
U.S. Agency obligations	3,620,746	479,284	2,243,847	884,082	13,533
State and Local obligations	50,009	-	-	50,009	-
TOTAL	\$ 10,272,902	\$ 1,756,896	\$ 6,329,090	\$ 2,173,383	\$ 13,533

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

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

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

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

At year end, the Police Pension Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Police Pension Fund also has \$12,519,813 invested in mutual funds.

e. Firefighters’ Pension Fund Investments

The following table presents the investments and maturities of the Firefighters’ Pension Fund’s debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 5,400,827	\$ 772,338	\$ 3,298,543	\$ 1,329,946	\$ -
U.S. Agency obligations	382,619	-	138,426	211,747	32,446
TOTAL	\$ 5,783,446	\$ 772,338	\$ 3,436,969	\$ 1,541,693	\$ 32,446

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

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

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

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

At year end, the Firefighters' Pension Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Firefighters' Pension Fund also has \$6,843,421 invested in mutual funds.

4. RECEIVABLES - TAXES

Property taxes for 2013 attached as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and issued on or about April 1, 2014 and are payable in two installments, on or about June 1, 2014 and September 1, 2014. Tax bills are prepared by Cook County and issued on or about February 1, 2014 and July 1, 2014 and are payable March 1, 2014 and August 1, 2014. The counties collect such taxes and remit them periodically. The uncollected portion of the 2014 levy has been recorded as receivable and unavailable revenue at April 30, 2014.

The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014 as the tax has not yet been levied by the Village and will not be levied until December 2014 and, therefore, the levy is not measurable at April 30, 2014.

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

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,778,158	\$ 2,204	\$ -	\$ 3,780,362
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	44,759	129,067	-	173,826
Total capital assets not being depreciated	28,915,481	131,271	-	29,046,752
Capital assets being depreciated				
Buildings	28,878,424	74,474	-	28,952,898
Machinery, equipment and vehicles	10,097,016	1,266,586	243,698	11,119,904
Improvements other than buildings	2,785,260	27,796	-	2,813,056
Infrastructure	33,216,722	19,953	-	33,236,675
Total capital assets being depreciated	74,977,422	1,388,809	243,698	76,122,533
Less accumulated depreciation for				
Buildings	4,953,133	651,170	-	5,604,303
Machinery, equipment and vehicles	5,554,839	706,707	243,698	6,017,848
Improvements other than buildings	623,009	168,879	-	791,888
Infrastructure	22,926,026	608,439	-	23,534,465
Total accumulated depreciation	34,057,007	2,135,195	243,698	35,948,504
Total capital assets being depreciated, net	40,920,415	(746,386)	-	40,174,029
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 69,835,896	\$ (615,115)	\$ -	\$ 69,220,781

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 120,363
Community development	28,745
Public safety	917,669
Public works	1,068,418
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 2,135,195

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

5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,150,013	\$ -	\$ -	\$ 4,150,013
Construction in progress	287,011	112,414	-	399,425
Total capital assets not being depreciated	<u>4,437,024</u>	<u>112,414</u>	<u>-</u>	<u>4,549,438</u>
Capital assets being depreciated				
Buildings and structures	13,472,758	26,626	-	13,499,384
Machinery, equipment and vehicles	3,830,901	126,099	99,634	3,857,366
Underground systems	14,383,442	-	-	14,383,442
Improvements other than buildings	9,696,381	-	-	9,696,381
Total capital assets being depreciated	<u>41,383,482</u>	<u>152,725</u>	<u>99,634</u>	<u>41,436,573</u>
Less accumulated depreciation for				
Building and structures	5,709,325	271,983	-	5,981,308
Machinery and equipment	2,226,669	215,868	97,746	2,344,791
Underground systems	5,270,521	278,508	-	5,549,029
Improvements other than buildings	3,636,692	248,482	-	3,885,174
Total accumulated depreciation	<u>16,843,207</u>	<u>1,014,841</u>	<u>97,746</u>	<u>17,760,302</u>
Total capital assets being depreciated, net	<u>24,540,275</u>	<u>(862,116)</u>	<u>1,888</u>	<u>23,676,271</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 28,977,299</u>	<u>\$ (749,702)</u>	<u>\$ 1,888</u>	<u>\$ 28,225,709</u>

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

BUSINESS-TYPE ACTIVITIES	
Waterworks and sewerage	\$ 949,955
Municipal railroad parking lot	43,656
Public safety	<u>21,230</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 1,014,841</u>

6. RISK MANAGEMENT

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

a. Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs

6. RISK MANAGEMENT (Continued)

a. Intergovernmental Personnel Benefit Cooperative (IPBC) (Continued)

(primarily medical, dental and life insurance coverage) offered by its members to their officers and employees, and to the officers and employees of certain other governmental, quasigovernmental and nonprofit public service entities. The Village's payments to IPBC are displayed on the financial statements as expenses in the appropriate funds.

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

b. Intergovernmental Risk Management Agency (IRMA)

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

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

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

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of April 30, 2014.

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

7. LONG-TERM DEBT

a. General Obligation Bonds

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

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

	Fund Debt Retired by	Balances May 1	Additions	Reductions and Defeasance	Balances April 30	Current Portion
\$10,000,000 General Obligation Bond Series of 2010, due in annual installments of \$280,000 to \$1,255,000 plus interest ranging from 1.78% to 6.00% through December 1, 2029.	Debt Service	\$ 9,720,000	\$ -	\$ 285,000	\$ 9,435,000	\$ 290,000
\$5,000,000 General Obligation Bond Series of 2010A, due in annual installments of \$50,000 to \$1,500,000 plus interest ranging from 2.15% to 5.50% through December 1, 2030.	Debt Service	5,000,000	-	50,000	4,950,000	100,000
\$7,030,000 General Obligation Refunding Bond Series of 2011, due in annual installments of \$450,000 to \$645,00 plus interest ranging from 2.00% to 3.25% through December 1, 2024.	Debt Service	6,580,000	-	475,000	6,105,000	485,000
TOTAL		\$ 21,300,000	\$ -	\$ 810,000	\$ 20,490,000	\$ 875,000

b. Illinois Environmental Protection Agency (EPA) Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
1997 EPA Loan I	Waterworks and Sewerage	\$ 926,334	\$ -	\$ 221,965	\$ 704,369	\$ 228,257
2000 EPA Loan II	Waterworks and Sewerage	679,949	-	100,343	579,606	102,995
TOTAL		\$ 1,606,283	\$ -	\$ 322,308	\$ 1,283,975	\$ 331,252

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

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		EPA Loans	
	Principal	Interest	Principal	Interest
2015	\$ 875,000	\$ 958,088	\$ 331,252	\$ 32,776
2016	945,000	937,472	340,444	23,584
2017	985,000	912,942	349,893	14,136
2018	1,030,000	884,930	111,376	6,162
2019	1,050,000	852,954	114,319	3,219
2020	1,070,000	818,218	36,691	482
2021	1,095,000	779,516	-	-
2022	1,120,000	735,760	-	-
2023	1,145,000	688,998	-	-
2024	1,180,000	640,668	-	-
2025	1,235,000	591,048	-	-
2026	1,345,000	536,313	-	-
2027	1,405,000	459,914	-	-
2028	1,445,000	377,630	-	-
2029	1,510,000	292,480	-	-
2030	1,555,000	201,300	-	-
2031	1,500,000	105,000	-	-
TOTAL	\$ 20,490,000	\$ 10,773,231	\$ 1,283,975	\$ 80,359

d. Changes in Long-Term Liabilities

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

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 21,300,000	\$ -	\$ 810,000	\$ 20,490,000	\$ 875,000
Add unamortized bond premium	88,093	-	7,341	80,752	-
Less unamortized bond discount	(99,048)	-	(5,714)	(93,334)	-
Compensated absences*	948,674	256,868	47,434	1,158,108	57,905
Net pension obligation*	113,273	1,511	-	114,784	-
Net other postemployment benefit obligation*	1,151,580	162,299	-	1,313,879	-
TOTAL	\$ 23,502,572	\$ 420,678	\$ 859,061	\$ 23,064,189	\$ 932,905

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

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

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

	Balances			Balances	
	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA loans	\$ 1,606,283	\$ -	\$ 322,309	\$ 1,283,974	\$ 331,252
Compensated absences	73,161	53,472	3,658	122,975	6,150
Net other postemployment benefit obligation	102,865	14,497	-	117,362	-
TOTAL	\$ 1,782,309	\$ 67,969	\$ 325,967	\$ 1,524,311	\$ 337,402

e. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

f. Conduit Debt

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2014, there was one IDRFB outstanding with outstanding principal of \$335,000.

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

8. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 425,000
General	Nonmajor governmental	106,623
General	Nonmajor governmental	<u>43,783</u>
TOTAL		<u>\$ 575,406</u>

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

- \$425,000 advance from the General Fund to the Special Service Area #6 Fund to cover eligible nonbuilding improvements such as road and lot paving.
- \$106,623 and \$43,783 advance from the General Fund to the Tax Increment Financing #4 and Special Service Area #6 Funds, respectively, in anticipation of future receipts.

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental	General	\$ 1,022,506
Nonmajor governmental	Waterworks and Sewerage	<u>421,795</u>
TOTAL		<u>\$ 1,444,301</u>

Interfund transfers during the year ended April 30, 2014 consisted of the following:

- \$1,022,506 and \$421,795 transferred from the General Fund and Waterworks and Sewerage Fund, respectively, to the General Capital Projects Fund to cover project expenditures.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Due from/to other funds at April 30, 2014 consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	\$ 477
General	Nonmajor governmental	16,157
General	Nonmajor governmental	149,137
General	Nonmajor governmental	<u>6</u>
TOTAL		<u>\$ 165,777</u>

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

- \$149,137 due from the nonmajor governmental funds (GO Bond 2010A Fund) to the General Corporate Fund is for amount due for repayment of debt. This amount will be paid within one year.

9. COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

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

Fiscal Year Ending April 30,	Amount
2015	\$ 869,951
2016	870,228
2017	869,744
2018	869,938
2019	869,862
2020	869,839
2021	<u>870,188</u>
	<u>\$ 6,089,750</u>

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

10. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

c. Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The Village's water purchase contract with JAWA provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Economic Incentive Agreements

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2014, three agreements have been in effect for businesses that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2019. For the second agreement, a maximum of \$2,500,000 is to be paid or until 20 year elapses, whichever occurs first. For the third agreement, a maximum of \$750,000 is to be paid or until 20 years elapses, whichever occurs first. The amount paid/accrued for the fiscal year ended April 30, 2014 was \$1,856,459. The total expenditures incurred to date in rebates for the currently effective agreements as of April 30, 2014 is \$9,862,973.

The Village has entered into an economic development agreement with one company to provide property tax rebates. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total expenditures incurred under this agreement is \$462,611 as of April 30, 2014.

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

10. CONTINGENT LIABILITIES (Continued)

d. Economic Incentive Agreements (Continued)

The Village issued a note receivable to a local business for \$700,000 in September 2009, bearing 0% interest. The payments are satisfied by and are contingent on the generation of incremental property taxes; therefore, no receivable has been recorded by the Village as of April 30, 2014. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.

11. JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

Description of Joint Venture

The Village is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of April 30, 2014 are as follows:

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

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

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

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

11. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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

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

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

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

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

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

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

11. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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 \$3,039,155 to JAWA for the year ended April 30, 2014. All payments were paid from the Waterworks and Sewerage Fund.

12. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2013, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees hired on or after January 1, 2013, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2013 was 15.25%.

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next ten years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. There was no required employer contribution for calendar years ended 2012, 2013 or 2014.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2013, the Police Pension Plan membership consisted of:

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	34
Nonvested	26
	<hr/>
TOTAL	<u>92</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2012) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2013) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past service costs for the Police Pension Plan. For the year ended April 30, 2013, the Village's contribution was 36.32% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	20
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	13
Nonvested	22
	<hr/>
TOTAL	<u>57</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2012) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2012) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2013, the Village's contribution was 32.37% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Method Used to Value Investments

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

Significant Investments

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

Plan	Organization	Amount
Police Pension	Spartan 500 Index Fund	\$ 1,317,076
	Dimensional US Vector Equity	1,547,850
	Dimensional Emerging Markets	1,899,214
	Dimensional US Small Cap	3,108,595
	Dimensional US Large Cap	1,317,271
	Dimensional International Portfolio	<u>1,315,769</u>
		<u>\$ 10,505,775</u>
Plan	Organization	Amount
Firefighters' Pension	Spartan International Index	\$ 1,103,299
	Spartan 500 Index Fund	952,306
	Dimensional Advisor US Vector Equity	867,858
	Dimensional Advisor US Small Cap Value	1,244,762
	Dimensional Advisor US Large Cap Value	1,236,418
	Dimensional Advisor US Small Cap	<u>1,031,878</u>
		<u>\$ 6,436,521</u>

Administrative Costs

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs

The annual pension costs (APC) and the net pension obligation (asset) (NPO) as of April 30, 2014 were derived from the actuarial valuations performed as of the dates and using the assumptions noted below:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2011	December 31, 2011	May 1, 2013	May 1, 2013
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market Value	Market Value
Amortization method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization period	30 Years, Open	30 Years, Open	20 Years, Closed	20 Years, Closed
Significant actuarial assumptions				
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	.40% to 10.00%	5.00%	5.50%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Trend Information

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

	For Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2012	\$ 872,864	\$ -
	2013	882,144	-
	2014	943,774	-
Actual contributions	2012	\$ 1,029,138	\$ -
	2013	882,144	-
	2014	943,774	-
Percentage of APC contributed	2012	117.90%	N/A
	2013	100.00%	-
	2014	100.00%	-
NPO (asset)	2012	\$ -	\$ -
	2013	-	-
	2014	-	-
	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2012	\$ 1,557,255	\$ 808,220
	2013	1,655,434	817,060
	2014	1,726,581	917,112
Actuarial contributions	2012	\$ 1,562,318	\$ 805,643
	2013	1,657,706	815,297
	2014	1,729,682	915,601
Percentage of APC contributed	2012	100.33%	99.68%
	2013	100.14%	99.78%
	2014	100.18%	99.84%
NPO (asset)	2012	\$ (293,260)	\$ 111,510
	2013	(295,532)	113,273
	2014	(298,633)	114,784

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation

The Village's annual pension cost and net pension obligation for the year ended April 30, 2014 were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,729,683	\$ 915,601
Interest on net pension obligation	(21,426)	8,212
Adjustment to annual required contribution	18,324	(6,701)
Annual pension cost	1,726,581	917,112
Contributions made	1,729,682	915,601
(Increase) decrease in net pension obligation (asset)	(3,101)	1,511
Net pension obligation (asset), beginning of year	(295,532)	113,273
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (298,633)	\$ 114,784

The funded status of the plans as of April 30, 2014, based on actuarial valuations performed as of April 30, 2013 for the Police and Firefighters' Pension Plans and as of December 31, 2013 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same as actuarial assumptions used to determine the employer annual pension costs of the plans as disclosed in Note 12-c.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 22,427,497	\$ -	\$ 42,050,982	\$ 22,060,493
Actuarial value of plan assets	16,401,077	31,396	23,712,438	13,330,316
Unfunded actuarial accrued liability (UAAL)	6,026,420	(31,396)	18,338,544	8,730,177
Funded ratio (actuarial value of plan assets/AAL)	73.13%	0.00%	56.39%	60.43%
Covered payroll (active plan members)	\$ 6,188,685	\$ -	\$ 4,761,260	\$ 2,828,141
UAAL as a percentage of covered payroll	97.38%	0.00%	385.16%	308.69%

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements

Schedule of Net Position as of April 30, 2014.

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 855,701	\$ 329,724	\$ 1,185,425
Investments			
U.S. Government and agency obligations	10,222,893	5,783,446	16,006,339
State and local obligations	50,009	-	50,009
Money market mutual funds	-	310,447	310,447
Mutual funds	14,903,089	8,122,672	23,025,761
Illinois Metropolitan Investment Fund	131,083	251,651	382,734
Receivables			
Accrued interest	56,814	17,152	73,966
Prepaid items	4,977	3,291	8,268
	<u>26,224,566</u>	<u>14,818,383</u>	<u>41,042,949</u>
LIABILITIES			
Accounts payable	<u>2,362</u>	<u>2,826</u>	<u>5,188</u>
	<u>2,362</u>	<u>2,826</u>	<u>5,188</u>
NET POSITION	<u>\$ 26,222,204</u>	<u>\$ 14,815,557</u>	<u>\$ 41,037,761</u>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements (Continued)

Schedule of Changes in Net Position for the year ended April 30, 2014.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,729,682	\$ 915,601	\$ 2,645,283
Employee	478,029	269,842	747,871
Other contributions	111	-	111
Total contributions	<u>2,207,822</u>	<u>1,185,443</u>	<u>3,393,265</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	1,605,571	866,894	2,472,465
Interest income	668,466	356,347	1,024,813
Less investment expense	<u>(51,550)</u>	<u>(31,130)</u>	<u>(82,680)</u>
Net investment income	<u>2,222,487</u>	<u>1,192,111</u>	<u>3,414,598</u>
Total additions	<u>4,430,309</u>	<u>2,377,54=</u>	<u>6,807,863</u>
DEDUCTIONS			
Benefits and refunds	1,894,450	856,143	2,750,593
Administrative expenses	<u>26,094</u>	<u>36,171</u>	<u>62,265</u>
Total deductions	<u>1,920,544</u>	<u>892,314</u>	<u>2,812,858</u>
NET INCREASE	2,509,765	1,485,240	3,995,005
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	<u>23,712,439</u>	<u>13,330,317</u>	<u>37,042,756</u>
April 31	<u>\$ 26,222,204</u>	<u>\$ 14,815,557</u>	<u>\$ 41,037,761</u>

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

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At April 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	22
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	109
Active employees - nonvested	<u>76</u>
TOTAL	<u>207</u>
Participating employers	<u>1</u>

d. Funding Policy

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

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2013. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2014 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2012	\$ 229,836	\$ 147,577	64.21%	\$ 1,194,233
April 30, 2013	219,255	159,043	72.54%	1,254,445
April 30, 2014	335,838	159,043	47.36%	1,431,240

The net OPEB obligation as of April 30, 2014 was calculated as follows:

Annual required contribution	\$ 327,475
Interest on net OPEB obligation	50,178
Adjustment to annual required contribution	<u>(41,815)</u>
Annual OPEB cost	335,838
Contributions made	<u>159,043</u>
Increase in net OPEB obligation	176,795
Net OPEB obligation, beginning of year	<u>1,254,445</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 1,431,240</u>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 5,484,303
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	5,484,303
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 14,706,941
UAAL as a percentage of covered payroll	37.29%

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

In the April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0%, projected salary increases of 4.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

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

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes	\$ 22,362,874	\$ 22,362,874	\$ 22,985,682
Licenses and permits	891,847	891,847	1,138,365
Charges for services	1,650,320	1,650,320	1,764,636
Fines and forfeits	627,060	627,060	590,966
Intergovernmental	3,473,699	3,473,699	3,853,115
Investment income	31,344	31,344	143,361
Miscellaneous	116,904	116,904	151,105
	<hr/>		
Total revenues	29,154,048	29,154,048	30,627,230
<hr/>			
EXPENDITURES			
Current			
General government	5,924,658	5,924,658	5,247,701
Community development	426,044	426,044	333,776
Public safety	18,100,862	18,100,862	17,837,161
Public works	3,753,611	3,753,611	3,494,643
	<hr/>		
Total expenditures	28,205,175	28,205,175	26,913,281
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	948,873	948,873	3,713,949
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers in	99,207	99,207	-
Transfers (out)	(1,251,075)	(1,251,075)	(1,022,506)
	<hr/>		
Total other financing sources (uses)	(1,151,868)	(1,151,868)	(1,022,506)
<hr/>			
NET CHANGE IN FUND BALANCES	<u>\$ (202,995)</u>	<u>\$ (202,995)</u>	2,691,443
<hr/>			
FUND BALANCE, MAY 1			<u>10,169,989</u>
<hr/>			
FUND BALANCE, APRIL 30			<u><u>\$ 12,861,432</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Intergovernmental			
Allotments earned	\$ 915,149	\$ 915,149	\$ 1,103,699
Reimbursements	-	-	2,100
Investment income	9,000	9,000	4,474
	<hr/>		
Total revenues	924,149	924,149	1,110,273
	<hr/>		
EXPENDITURES			
Current			
Highways and streets			
Personal services	147,918	147,918	155,734
Commodities	160,000	160,000	110,493
Contractual services	437,693	437,693	380,133
Capital outlay	1,056,000	1,056,000	767,404
	<hr/>		
Total expenditures	1,801,611	1,801,611	1,413,764
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (877,462)</u>	<u>\$ (877,462)</u>	(303,491)
FUND BALANCE, MAY 1			<hr/> 1,636,448
FUND BALANCE, APRIL 30			<hr/> \$ 1,332,957

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ 18,208,045	\$ 22,959,941	79.30%	\$ 4,751,896	\$ 6,848,668	69.38%
2009	16,837,694	22,691,981	74.20%	5,854,287	6,928,991	84.49%
2010	15,745,042	22,377,083	70.36%	6,632,041	6,474,980	102.43%
2011	13,667,654	21,679,006	63.05%	8,011,352	6,527,256	122.74%
2012	13,945,121	21,473,671	64.94%	7,528,550	6,301,030	119.48%
2013	16,401,077	22,427,497	73.13%	6,026,420	6,188,685	97.38%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 680,073	\$ 680,073	100%
2010	675,266	716,808	94%
2011	685,332	799,174	86%
2012	1,029,138	869,497	118%
2013	882,144	882,144	100%
2014	939,897	943,774	100%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ 257,856	\$ 399,981	64.47%	\$ 142,125	\$ 130,427	108.97%
2009	282,797	279,596	101.14%	(3,201)	104,758	(3.06%)
2010	297,460	403,212	73.77%	105,752	-	0.00%
2011	307,499	485,027	63.40%	177,528	-	0.00%
2012	23,417	-	0.00%	(23,417)	-	0.00%
2013	31,396	-	0.00%	(31,396)	-	0.00%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 25,099	\$ 25,099	100%
2010	17,516	17,516	100%
2011	-	-	0%
2012	-	-	0%
2013	-	-	0%
2014	-	-	0%

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

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ 17,040,003	\$ 27,774,760	61.35%	\$ 10,734,757	\$ 3,566,235	301.01%
2009	15,191,183	29,645,059	51.24%	14,453,876	3,782,571	382.12%
2010	18,249,557	34,487,266	52.92%	16,237,709	4,351,415	373.16%
2011	20,475,156	36,631,328	55.90%	16,156,172	4,664,877	346.34%
2012	21,019,429	38,705,823	54.31%	17,686,394	4,760,070	371.56%
2013	23,712,438	42,050,982	56.39%	18,338,544	4,761,260	385.16%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 987,365	\$ 959,382	102.92%
2010	1,047,722	1,047,722	100.00%
2011	1,302,480	1,302,480	100.00%
2012	1,562,318	1,562,318	100.00%
2013	1,657,706	1,657,706	100.00%
2014	1,729,683	1,729,683	100.00%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ 8,668,883	\$ 12,933,184	67.03%	\$ 4,264,301	\$ 2,254,020	189.19%
2009	7,935,575	13,999,956	56.68%	6,064,381	2,402,710	252.40%
2010	9,768,056	16,161,310	60.44%	6,393,254	2,637,743	242.38%
2011	11,341,474	17,249,912	65.75%	5,908,438	2,666,892	221.55%
2012	11,869,263	19,680,258	60.31%	7,810,995	2,672,762	292.24%
2013	13,330,316	22,060,493	60.43%	8,730,177	2,828,141	308.69%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 471,152	\$ 471,152	100.00%
2010	574,010	574,010	100.00%
2011	698,763	698,763	100.00%
2012	805,643	805,643	100.00%
2013	815,297	815,297	100.00%
2014	915,601	915,601	100.00%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 5,180,100	0.00%	\$ 5,180,100	\$ 12,676,400	40.86%
2010	-	5,125,728	0.00%	5,125,728	12,368,624	41.44%
2011	-	3,708,726	0.00%	3,708,726	15,721,793	23.59%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	5,484,303	0.00%	5,484,303	14,706,941	37.29%
2014	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 184,100	\$ 468,900	39.26%
2010	141,170	402,763	35.05%
2011	143,279	402,763	35.57%
2012	147,577	211,303	69.84%
2013	159,043	211,303	75.27%
2014	159,043	327,475	48.57%

N/A - an actuarial valuation was not performed.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

BUDGETS

All departments of the Village submit budget requests to the Village Manager in January of each year so that a budget may be prepared. The budget is prepared by fund, and includes information on the past year, current year estimates and requested budget for the next fiscal year, covering a period from May 1st to April 30th.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may adjust proposed budgeted amounts. The final budget must be approved by April 30 through passage of an ordinance.

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

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

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

Fund	Excess
SSA #6	\$ 4,300

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Fund

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

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
TAXES			
Property tax	\$ 10,230,972	\$ 10,230,972	\$ 10,766,348
Municipal sales tax	5,273,623	5,273,623	5,361,445
Home rule sales tax	3,199,166	3,199,166	3,217,418
Real estate transfer tax	277,366	277,366	254,394
Use tax	577,190	577,190	669,932
Utility tax - simplified telephone	1,073,992	1,073,992	908,052
Utility tax - natural gas	144,228	144,228	244,507
Utility tax - electric	472,073	472,073	435,611
Foreign fire insurance tax	-	-	24,211
Prepared food tax	1,077,544	1,077,544	1,036,661
Video gaming tax	-	-	23,416
Hotel/motel tax	36,720	36,720	43,687
Total taxes	22,362,874	22,362,874	22,985,682
LICENSES AND PERMITS			
Licenses			
Business	94,516	94,516	87,354
Liquor	47,455	47,455	63,099
Contractor	25,199	25,199	46,675
Vendor/solicitor	263	263	610
Animal	500	500	985
Penalties on licenses	10,363	10,363	19,904
Multi-family	87,225	87,225	91,500
Single family	67,800	67,800	86,650
Cable franchise fee	363,494	363,494	377,788
Solid waste franchise fee	116,032	116,032	118,969
Permits			
Building - DuPage	43,000	43,000	107,471
Building - Cook	31,000	31,000	113,561
Video gaming terminals	-	-	18,792
Sign	5,000	5,000	5,007
Total licenses and permits	891,847	891,847	1,138,365
CHARGES FOR SERVICES			
Printed materials	7,000	7,000	3,766
Ambulance fees	641,500	641,500	667,364
Plan review - community development	15,000	15,000	61,714
Building reinspection fees	1,500	1,500	3,150
Vehicle impoundment fees	650,000	650,000	719,500
CPR fees	3,500	3,500	2,340
ADT administrative fee	3,000	3,000	5,719
Public safety application fee	5,920	5,920	4,560
Child safety seat installation	1,000	1,000	105
Inspection fee - miscellaneous	-	-	1,207
Highlighter advertising	-	-	1,000
Rental income	321,900	321,900	294,211
Total charges for services	1,650,320	1,650,320	1,764,636

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
FINES AND FORFEITS			
Traffic fines - DuPage	\$ 38,000	\$ 38,000	\$ 44,863
Traffic fines - Cook	120,000	120,000	95,739
Ordinance violations	271,000	271,000	248,187
Warning tickets	210	210	140
Police false alarm fines	4,500	4,500	7,350
DUI fines	2,850	2,850	36,979
Traffic court supervision	40,000	40,000	19,241
Fire false alarm fines	6,000	6,000	5,125
Red light camera fines	142,000	142,000	131,817
Kennel fees	2,500	2,500	1,525
	<hr/>		
Total fines and forfeits	627,060	627,060	590,966
INTERGOVERNMENTAL			
State income tax	3,341,624	3,341,624	3,700,323
Replacement taxes	85,015	85,015	91,993
Reimbursement - ILEOT Boards	9,000	9,000	8,952
Reimbursement - OJP bullet proof vest grant	3,660	3,660	3,345
Reimbursement - DuPage County	15,000	15,000	14,959
Reimbursement - ILEAS	-	-	3,198
Reimbursement - police services	600	600	14,195
Reimbursement - fire services	15,000	15,000	16,150
Drug forfeiture revenue	3,800	3,800	-
	<hr/>		
Total intergovernmental	3,473,699	3,473,699	3,853,115
INVESTMENT INCOME			
	31,344	31,344	143,361
MISCELLANEOUS			
Reimbursement - miscellaneous	16,000	16,000	39,682
Hazardous materials	5,000	5,000	492
Corporate partnership program	2,050	2,050	9,500
Miscellaneous income	93,854	93,854	101,431
	<hr/>		
Total miscellaneous	116,904	116,904	151,105
TOTAL REVENUES			
	<u>\$ 29,154,048</u>	<u>\$ 29,154,048</u>	<u>\$ 30,627,230</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
President and Board of Trustees			
Personal services	\$ 37,462	\$ 37,462	\$ 37,791
Commodities	48,627	48,627	48,338
Contractual services	25,825	25,825	25,585
Total president and board of trustees	111,914	111,914	111,714
Village Clerk			
Personal services	84,922	84,922	75,539
Commodities	1,310	1,310	1,090
Contractual services	41,115	41,115	16,590
Total village clerk	127,347	127,347	93,219
Village Collector			
Personal services	75,156	75,156	76,835
Commodities	50	50	50
Contractual services	100	100	-
Total village collector	75,306	75,306	76,885
Environmental committee			
Commodities	575	575	-
Contractual services	3,250	3,250	1,419
Total environmental committee	3,825	3,825	1,419
Cultural inclusion and diversity committee			
Commodities	720	720	48
Contractual services	3,290	3,290	2,789
Total cultural inclusion and diversity committee	4,010	4,010	2,837
Sister City committee			
Commodities	800	800	820
Contractual services	5,100	5,100	2,612
Total sister city committee	5,900	5,900	3,432
Citizens corp council committee			
Commodities	1,600	1,600	1,463
Contractual services	700	700	1,000
Total citizens corp council committee	2,300	2,300	2,463

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Veterans committee			
Commodities	\$ 800	\$ 800	\$ 239
Contractual services	1,110	1,110	1,288
Total veterans committee	1,910	1,910	1,527
Development commission			
Commodities	700	700	28
Contractual services	1,275	1,275	80
Total development commission	1,975	1,975	108
CONNECT committee			
Commodities	800	800	-
Contractual services	4,550	4,550	4,149
Total conect committee	5,350	5,350	4,149
Village Manager			
Personal services	286,784	286,784	288,658
Commodities	2,925	2,925	2,869
Contractual services	34,350	34,350	35,866
Total village manager	324,059	324,059	327,393
Human resources			
Personal services	289,196	289,196	245,627
Commodities	27,417	27,417	19,862
Contractual services	104,815	104,815	109,647
Total human resources	421,428	421,428	375,136
Special events			
Contractual services	22,200	22,200	19,917
Total special events	22,200	22,200	19,917
Information technology			
Personal services	260,655	260,655	270,100
Commodities	97,870	97,870	105,938
Contractual services	401,170	401,170	342,788
Total information technology	759,695	759,695	718,826

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance department administration			
Personal services	\$ 149,813	\$ 149,813	\$ 142,616
Commodities	1,700	1,700	7,664
Contractual services	24,763	24,763	21,192
Total finance department administration	<u>176,276</u>	<u>176,276</u>	<u>171,472</u>
Collections			
Personal services	132,248	132,248	136,372
Commodities	9,775	9,775	8,621
Contractual services	5,380	5,380	3,012
Total collections	<u>147,403</u>	<u>147,403</u>	<u>148,005</u>
General accounting			
Personal services	150,259	150,259	148,443
Commodities	880	880	453
Contractual services	45,014	45,014	50,867
Total general accounting	<u>196,153</u>	<u>196,153</u>	<u>199,763</u>
General administrative services			
Personal services	424,418	424,418	91,312
Contractual services	3,113,189	3,113,189	2,898,124
Total general administrative services	<u>3,537,607</u>	<u>3,537,607</u>	<u>2,989,436</u>
Total general government	<u>5,924,658</u>	<u>5,924,658</u>	<u>5,247,701</u>
PUBLIC WORKS			
Administration			
Personal services	157,171	157,171	145,454
Commodities	1,675	1,675	2,151
Contractual services	9,220	9,220	6,444
Total administration	<u>168,066</u>	<u>168,066</u>	<u>154,049</u>
Streets			
Personal services	890,092	890,092	870,639
Commodities	109,495	109,495	70,774
Contractual services	324,455	324,455	349,855
Total streets	<u>1,324,042</u>	<u>1,324,042</u>	<u>1,291,268</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Forestry			
Personal services	\$ 203,047	\$ 203,047	\$ 188,905
Commodities	12,770	12,770	10,327
Contractual services	338,638	338,638	291,502
Total forestry	<u>554,455</u>	<u>554,455</u>	<u>490,734</u>
Building			
Personal services	286,049	286,049	283,409
Commodities	119,875	119,875	99,965
Contractual services	209,220	209,220	207,119
Total building	<u>615,144</u>	<u>615,144</u>	<u>590,493</u>
Fleet services administration			
Personal services	424,540	424,540	413,671
Commodities	590,270	590,270	483,179
Contractual services	85,963	85,963	98,010
Subtotal fleet services administration	<u>1,100,773</u>	<u>1,100,773</u>	<u>994,860</u>
Less: reimbursements from other funds	<u>(297,972)</u>	<u>(297,972)</u>	<u>(297,972)</u>
Total fleet services administration	<u>802,801</u>	<u>802,801</u>	<u>696,888</u>
Department of engineering			
Personal services	248,652	248,652	245,429
Commodities	2,770	2,770	1,582
Contractual services	15,671	15,671	13,372
Total department of engineering	<u>267,093</u>	<u>267,093</u>	<u>260,383</u>
MWRD property			
Contractual services	22,010	22,010	10,828
Total MWRD property	<u>22,010</u>	<u>22,010</u>	<u>10,828</u>
Total public works	<u>3,753,611</u>	<u>3,753,611</u>	<u>3,494,643</u>
PUBLIC SAFETY			
Fire department			
Administration			
Personal services	517,034	517,034	513,297
Commodities	10,293	10,293	10,324
Contractual services	26,078	26,078	19,596
Total administration	<u>553,405</u>	<u>553,405</u>	<u>543,217</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Fire suppression			
Personal services	\$ 4,462,551	\$ 4,462,551	\$ 4,572,543
Commodities	41,914	41,914	40,892
Contractual services	357,710	357,710	418,412
Total fire suppression	4,862,175	4,862,175	5,031,847
Inspections			
Personal services	553,800	553,800	576,479
Commodities	10,380	10,380	8,598
Contractual services	33,120	33,120	44,962
Total inspections	597,300	597,300	630,039
Emergency transport			
Personal services	32,580	32,580	29,775
Commodities	2,500	2,500	-
Contractual services	47,226	47,226	40,700
Total emergency transport	82,306	82,306	70,475
Total fire department	6,095,186	6,095,186	6,275,578
Police department			
Administration			
Personal services	753,583	753,583	740,767
Commodities	9,311	9,311	3,889
Contractual services	64,753	64,753	21,478
Total administration	827,647	827,647	766,134
Patrol division			
Personal services	7,028,621	7,028,621	6,937,985
Commodities	61,405	61,405	49,721
Contractual services	214,622	214,622	223,335
Total patrol division	7,304,648	7,304,648	7,211,041
Investigations			
Personal services	1,566,086	1,566,086	1,493,659
Commodities	23,570	23,570	19,419
Contractual services	54,409	54,409	54,331
Total investigations	1,644,065	1,644,065	1,567,409

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Department)			
Community services			
Personal services	\$ 90,478	\$ 90,478	\$ 96,906
Commodities	550	550	130
Contractual services	3,955	3,955	2,716
Total community services	94,983	94,983	99,752
Staff services			
Personal services	876,625	876,625	815,125
Commodities	26,150	26,150	21,189
Contractual services	671,986	671,986	656,773
Total staff services	1,574,761	1,574,761	1,493,087
Code enforcement			
Personal services	529,707	529,707	394,095
Commodities	3,960	3,960	6,495
Contractual services	13,855	13,855	13,402
Total code enforcement	547,522	547,522	413,992
Total police department	11,993,626	11,993,626	11,551,415
Emergency services			
Commodities	3,380	3,380	1,610
Contractual services	8,670	8,670	8,558
Total emergency services	12,050	12,050	10,168
Total public safety	18,100,862	18,100,862	17,837,161
COMMUNITY DEVELOPMENT			
Economic development			
Personal services	348,694	348,694	273,687
Commodities	4,870	4,870	3,672
Contractual services	72,480	72,480	56,417
Total economic development	426,044	426,044	333,776
Total community development	426,044	426,044	333,776
TOTAL EXPENDITURES	\$ 28,205,175	\$ 28,205,175	\$ 26,913,281

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Fund (Continued)

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2014

	Special Revenue				
	Road and Bridge	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5
ASSETS					
Cash and investments	\$ 1,083,815	\$ 66,783	\$ 2,335,805	\$ 6,464	\$ -
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	-	-	-	-
Accounts	-	-	-	88,987	-
Accrued interest	-	-	108	-	-
TOTAL ASSETS	\$ 1,083,815	\$ 66,783	\$ 2,335,913	\$ 95,451	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 76,819	\$ 66,783	\$ 36,248	\$ 3,365	\$ -
Contractors' payable	-	-	-	-	-
Other payables	-	-	20,074	-	-
Unearned revenue	130,000	-	-	-	-
Due to other funds	-	-	97,186	-	16,157
Advances from other funds	-	-	-	106,623	-
Total liabilities	206,819	66,783	153,508	109,988	16,157
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	206,819	66,783	153,508	109,988	16,157
FUND BALANCES					
Restricted					
Highways and streets	876,996	-	-	-	-
Debt service	-	-	-	-	-
Community development	-	-	2,182,405	-	-
Special service areas	-	-	-	-	-
Unrestricted					
Assigned					
Capital improvements	-	-	-	-	-
Unassigned (deficit)	-	-	-	(14,537)	(16,157)
Total fund balances (deficit)	876,996	-	2,182,405	(14,537)	(16,157)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,083,815	\$ 66,783	\$ 2,335,913	\$ 95,451	\$ -

Special Service Area #3	Special Revenue		Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
\$ 65,397	\$ 75,347	\$ 233,498	\$ 242,223	\$ 64,949	\$ 246,481	\$ 145,584	\$ 394,040	\$ 4,960,386
10,630	12,912	277,133	481,695	229,221	500,603	41,971	-	1,554,165
-	-	-	-	-	-	-	2,425	91,412
-	-	-	-	-	-	-	-	108
<u>\$ 76,027</u>	<u>\$ 88,259</u>	<u>\$ 510,631</u>	<u>\$ 723,918</u>	<u>\$ 294,170</u>	<u>\$ 747,084</u>	<u>\$ 187,555</u>	<u>\$ 396,465</u>	<u>\$ 6,606,071</u>
\$ 8,445	\$ 1,406	\$ 85,422	\$ -	\$ -	\$ -	\$ -	\$ 270,375	\$ 548,863
-	-	-	-	-	-	-	1,487	1,487
-	-	-	-	-	-	-	-	20,074
-	-	-	-	-	-	-	-	130,000
-	-	6	-	149,137	-	-	-	262,486
-	-	-	-	-	-	468,783	-	575,406
<u>8,445</u>	<u>1,406</u>	<u>85,428</u>	<u>-</u>	<u>149,137</u>	<u>-</u>	<u>468,783</u>	<u>271,862</u>	<u>1,538,316</u>
10,630	12,912	277,133	481,695	229,221	500,603	41,971	-	1,554,165
10,630	12,912	277,133	481,695	229,221	500,603	41,971	-	1,554,165
19,075	14,318	362,561	481,695	378,358	500,603	510,754	271,862	3,092,481
-	-	-	-	-	-	-	-	876,996
-	-	-	242,223	-	246,481	-	-	488,704
-	-	-	-	-	-	-	-	2,182,405
56,952	73,941	148,070	-	-	-	-	-	278,963
-	-	-	-	-	-	-	124,603	124,603
-	-	-	-	(84,188)	-	(323,199)	-	(438,081)
<u>56,952</u>	<u>73,941</u>	<u>148,070</u>	<u>242,223</u>	<u>(84,188)</u>	<u>246,481</u>	<u>(323,199)</u>	<u>124,603</u>	<u>3,513,590</u>
<u>\$ 76,027</u>	<u>\$ 88,259</u>	<u>\$ 510,631</u>	<u>\$ 723,918</u>	<u>\$ 294,170</u>	<u>\$ 747,084</u>	<u>\$ 187,555</u>	<u>\$ 396,465</u>	<u>\$ 6,606,071</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2014

	Special Revenue			
	Road and Bridge	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5
REVENUES				
Taxes				
Property taxes	\$ 122,016	\$ 880,489	\$ -	\$ -
Intergovernmental				
Personal property replacement taxes	2,874	-	-	-
Grants	87,518	-	-	-
Other intergovernmental	-	-	-	-
Investment income	2,874	2,477	42	-
Miscellaneous	-	-	27	-
Total revenues	<u>215,282</u>	<u>882,966</u>	<u>69</u>	<u>-</u>
EXPENDITURES				
Current				
Community development	-	150,341	25,910	2,793
Highways and streets	150,013	-	-	-
Capital outlay	59,720	91,335	113	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	<u>209,733</u>	<u>241,676</u>	<u>26,023</u>	<u>2,793</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,549</u>	<u>641,290</u>	<u>(25,954)</u>	<u>(2,793)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,549	641,290	(25,954)	(2,793)
FUND BALANCES (DEFICIT), MAY 1	<u>871,447</u>	<u>1,541,115</u>	<u>11,417</u>	<u>(13,364)</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 876,996</u>	<u>\$ 2,182,405</u>	<u>\$ (14,537)</u>	<u>\$ (16,157)</u>

Special Revenue			Debt Service			Capital Projects		Total
Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	Nonmajor Governmental Funds
\$ 18,010	\$ 30,274	\$ 276,872	\$ 712,377	\$ 143,753	\$ 703,639	\$ 75,653	\$ -	\$ 2,963,083
-	-	-	-	-	-	-	-	2,874
-	-	-	-	-	-	-	-	87,518
-	-	-	164,377	96,375	-	-	70,000	330,752
166	111	56	68	11	77	39	64	5,985
-	-	-	-	-	-	-	2,077	2,104
18,176	30,385	276,928	876,822	240,139	703,716	75,692	72,141	3,392,316
22,489	28,327	96,690	-	-	-	-	-	326,550
-	-	-	-	-	-	-	-	150,013
7,245	-	155,155	-	-	-	-	1,664,884	1,978,452
-	-	-	285,000	50,000	475,000	-	-	810,000
-	-	-	510,210	299,138	166,013	107,990	-	1,083,351
-	-	-	678	678	428	-	-	1,784
29,734	28,327	251,845	795,888	349,816	641,441	107,990	1,664,884	4,350,150
(11,558)	2,058	25,083	80,934	(109,677)	62,275	(32,298)	(1,592,743)	(957,834)
-	-	-	-	-	-	-	1,444,301	1,444,301
-	-	-	-	-	-	-	1,444,301	1,444,301
(11,558)	2,058	25,083	80,934	(109,677)	62,275	(32,298)	(148,442)	486,467
68,510	71,883	122,987	161,289	25,489	184,206	(290,901)	273,045	3,027,123
\$ 56,952	\$ 73,941	\$ 148,070	\$ 242,223	\$ (84,188)	\$ 246,481	\$ (323,199)	\$ 124,603	\$ 3,513,590

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ROAD AND BRIDGE FUND

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

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 102,425	\$ 102,425	\$ 122,016
Intergovernmental			
Personal property replacement taxes	2,987	2,987	2,874
Grants	-	-	87,518
Investment income	3,700	3,700	2,874
Reimbursements	62,400	62,400	-
Total revenues	<u>171,512</u>	<u>171,512</u>	<u>215,282</u>
EXPENDITURES			
Current			
Highways and streets			
Contractual services	88,000	163,000	150,013
Capital outlay	52,000	74,000	59,720
Total expenditures	<u>140,000</u>	<u>237,000</u>	<u>209,733</u>
NET CHANGE IN FUND BALANCE	<u>\$ 31,512</u>	<u>\$ (65,488)</u>	5,549
FUND BALANCE, MAY 1			<u>871,447</u>
FUND BALANCE, APRIL 30			<u>\$ 876,996</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 1,350,000	\$ 1,350,000	\$ 880,489
Investment income	750	750	2,477
Total revenues	<u>1,350,750</u>	<u>1,350,750</u>	<u>882,966</u>
EXPENDITURES			
Current			
Community development			
Contractual services	385,000	385,000	150,341
Capital outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>91,335</u>
Total expenditures	<u>1,885,000</u>	<u>1,885,000</u>	<u>241,676</u>
NET CHANGE IN FUND BALANCE	<u>\$ (534,250)</u>	<u>\$ (534,250)</u>	641,290
FUND BALANCE, MAY 1			<u>1,541,115</u>
FUND BALANCE, APRIL 30			<u><u>\$ 2,182,405</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 45,000	\$ 45,000	\$ -
Investment income	100	100	42
Miscellaneous	-	-	27
Total revenues	<u>45,100</u>	<u>45,100</u>	<u>69</u>
EXPENDITURES			
Current			
Community development			
Contractual services	26,500	26,500	25,910
Capital outlay	-	-	113
Total expenditures	<u>26,500</u>	<u>26,500</u>	<u>26,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,600</u>	<u>18,600</u>	<u>(25,954)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>(35,000)</u>	<u>(35,000)</u>	-
Total other financing sources (uses)	<u>(35,000)</u>	<u>(35,000)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (16,400)</u>	<u>\$ (16,400)</u>	(25,954)
FUND BALANCE, MAY 1			<u>11,417</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (14,537)</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Community development			
Contractual services	-	2,800	2,793
Total expenditures	-	2,800	2,793
NET CHANGE IN FUND BALANCE	\$ -	\$ (2,800)	(2,793)
FUND BALANCE (DEFICIT), MAY 1			(13,364)
FUND BALANCE (DEFICIT), APRIL 30			\$ (16,157)

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 20,400	\$ 20,400	\$ 18,010
Investment income	25	25	166
Total revenues	<u>20,425</u>	<u>20,425</u>	<u>18,176</u>
EXPENDITURES			
Community development			
Contractual services			
Equipment rentals	24,500	24,500	22,489
Capital outlay	20,000	20,000	7,245
Total expenditures	<u>44,500</u>	<u>44,500</u>	<u>29,734</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,075)</u>	<u>\$ (24,075)</u>	(11,558)
FUND BALANCE, MAY 1			<u>68,510</u>
FUND BALANCE, APRIL 30			<u>\$ 56,952</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #4 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 29,800	\$ 29,800	\$ 30,274
Investment income	85	85	111
Total revenues	<u>29,885</u>	<u>29,885</u>	<u>30,385</u>
EXPENDITURES			
Community development Contractual services	<u>29,800</u>	<u>29,800</u>	<u>28,327</u>
Total expenditures	<u>29,800</u>	<u>29,800</u>	<u>28,327</u>
NET CHANGE IN FUND BALANCE	<u>\$ 85</u>	<u>\$ 85</u>	2,058
FUND BALANCE, MAY 1			<u>71,883</u>
FUND BALANCE, APRIL 30			<u><u>\$ 73,941</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #5 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 313,820	\$ 313,820	\$ 276,872
Investment income	200	200	56
Total revenues	<u>314,020</u>	<u>314,020</u>	<u>276,928</u>
EXPENDITURES			
Current			
Community development			
Contractual services	85,000	85,000	96,690
Capital outlay	<u>300,000</u>	<u>300,000</u>	<u>155,155</u>
Total expenditures	<u>385,000</u>	<u>385,000</u>	<u>251,845</u>
NET CHANGE IN FUND BALANCE	<u>\$ (70,980)</u>	<u>\$ (70,980)</u>	25,083
FUND BALANCE, MAY 1			<u>122,987</u>
FUND BALANCE, APRIL 30			<u>\$ 148,070</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010 FUND

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

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 616,636	\$ 616,636	\$ 712,377
Intergovernmental	178,574	178,574	164,377
Investment income	400	400	68
	<hr/>		
Total revenues	795,610	795,610	876,822
	<hr/>		
EXPENDITURES			
Debt service			
Principal	285,000	285,000	285,000
Interest	510,210	510,210	510,210
Fiscal charge	400	678	678
	<hr/>		
Total expenditures	795,610	795,888	795,888
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (278)</u>	80,934
FUND BALANCE, MAY 1			<hr/> 161,289
FUND BALANCE, APRIL 30			<hr/> \$ 242,223 <hr/>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010A FUND

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

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 244,440	\$ 244,440	\$ 143,753
Intergovernmental	104,698	104,698	96,375
Investment income	140	140	11
	<hr/>		
Total revenues	349,278	349,278	240,139
	<hr/>		
EXPENDITURES			
Debt service			
Principal	50,000	50,000	50,000
Interest	299,138	299,138	299,138
Fiscal charge	400	678	678
	<hr/>		
Total expenditures	349,538	349,816	349,816
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (260)</u>	<u>\$ (538)</u>	(109,677)
FUND BALANCE, MAY 1			<hr/> 25,489
FUND BALANCE (DEFICIT), APRIL 30			<u><u>\$ (84,188)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2011 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 641,013	\$ 641,013	\$ 703,639
Investment income	500	500	77
	<hr/>		
Total revenues	641,513	641,513	703,716
	<hr/>		
EXPENDITURES			
Debt service			
Principal	475,000	475,000	475,000
Interest	166,013	166,013	166,013
Fiscal charge	500	500	428
	<hr/>		
Total expenditures	641,513	641,513	641,441
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ -	62,275
	<hr/>		
FUND BALANCE, MAY 1			184,206
	<hr/>		
FUND BALANCE, APRIL 30			\$ 246,481
	<hr/>		

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #6 FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 77,013	\$ 77,013	\$ 75,653
Investment income	100	100	39
Total revenues	<u>77,113</u>	<u>77,113</u>	<u>75,692</u>
EXPENDITURES			
Community development			
Contractual services	37,000	37,000	-
Debt service			
Interest	-	66,690	107,990
Total expenditures	<u>37,000</u>	<u>103,690</u>	<u>107,990</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>40,113</u>	<u>(26,577)</u>	<u>(32,298)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(64,207)</u>	<u>(64,207)</u>	<u>-</u>
Total other financing sources (uses)	<u>(64,207)</u>	<u>(64,207)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,094)</u>	<u>\$ (90,784)</u>	<u>(32,298)</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(290,901)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u><u>\$ (323,199)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL CAPITAL PROJECTS FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 70,000
Investment income	-	-	64
Miscellaneous	-	-	2,077
Total revenues	-	-	72,141
EXPENDITURES			
Capital outlay			
Buildings	130,000	130,000	132,625
Other improvements	118,000	118,000	190,534
Office equipment	1,488,825	1,488,825	1,278,682
Other equipment	76,000	76,000	63,043
Total expenditures	1,812,825	1,812,825	1,664,884
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(1,812,825)	(1,812,825)	(1,592,743)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,757,825	1,757,825	1,444,301
Total other financing sources (uses)	1,757,825	1,757,825	1,444,301
NET CHANGE IN FUND BALANCE			
	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	(148,442)
FUND BALANCE, MAY 1			
			<u>273,045</u>
FUND BALANCE, APRIL 30			
			<u><u>\$ 124,603</u></u>

(See independent auditor's report.)

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

Hanover Square Fund: The Hanover Square Fund is used to account for the operation and maintenance of the Hanover Square shopping center. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and collections.

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water sales	\$ 7,869,206	\$ 7,869,206	\$ 7,844,165
Sewer service	2,857,507	2,857,507	2,649,219
Water penalties	194,100	194,100	233,925
Water tap-on fees	14,167	14,167	43,673
Sewer tap-on fees	13,884	13,884	45,442
Meter sales	1,560	1,560	14,381
Miscellaneous	202,000	202,000	246,501
Total operating revenues	11,152,424	11,152,424	11,077,306
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Administration			
Personal services	1,327,344	1,327,344	1,221,655
Commodities	6,315	6,315	4,166
Contractual services	492,739	492,739	467,010
Operations - water			
Personal services	848,078	848,078	826,186
Commodities	105,076	105,076	105,834
Contractual services	4,328,281	4,328,281	4,590,911
Capital outlay	641,000	641,000	546,585
Operations - sewer			
Personal services	982,499	982,499	877,663
Commodities	71,197	71,197	63,757
Contractual services	1,078,908	1,078,908	844,768
Capital outlay	365,000	365,000	443,972
Debt service			
Principal	322,309	322,309	322,308
Total operating expenses excluding depreciation	10,568,746	10,568,746	10,314,815
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	583,678	583,678	762,491
DEPRECIATION	965,917	965,917	949,955
OPERATING INCOME (LOSS)	(382,239)	(382,239)	(187,464)

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 13,000	\$ 13,000	\$ 8,073
Other income	6,500	6,500	10,428
Interest expense	(41,719)	(41,719)	(41,720)
Gain (loss) on disposal of capital assets	-	-	(1,888)
Total non-operating revenues (expenses)	<u>(22,219)</u>	<u>(22,219)</u>	<u>(25,107)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(404,458)</u>	<u>(404,458)</u>	<u>(212,571)</u>
TRANSFERS			
Transfers (out)	<u>(546,750)</u>	<u>(546,750)</u>	<u>(421,795)</u>
Total transfers	<u>(546,750)</u>	<u>(546,750)</u>	<u>(421,795)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>(951,208)</u>	<u>(951,208)</u>	<u>(634,366)</u>
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	987,597
Principal paid	-	-	322,308
Total adjustments to GAAP basis	<u>-</u>	<u>-</u>	<u>1,309,905</u>
CHANGE IN NET POSITION	<u>\$ (951,208)</u>	<u>\$ (951,208)</u>	675,539
NET POSITION, MAY 1			<u>29,324,122</u>
NET POSITION, APRIL 30			<u>\$ 29,999,661</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2014

	Municipal Railroad Parking Lot	Hanover Square	Total
CURRENT ASSETS			
Cash and investments	\$ 297,867	\$ 120,347	\$ 418,214
Receivables			
Accounts	-	27,301	27,301
Other	7,889	-	7,889
Prepaid expenses	9,646	-	9,646
Due from other funds	-	97,186	97,186
	<hr/>		
Total current assets	315,402	244,834	560,236
NONCURRENT ASSETS			
Capital assets			
Nondepreciable	1,317,517	2,294,805	3,612,322
Depreciable, net of accumulated depreciation	959,594	919,729	1,879,323
	<hr/>		
Total noncurrent assets	2,277,111	3,214,534	5,491,645
	<hr/>		
Total assets	2,592,513	3,459,368	6,051,881
CURRENT LIABILITIES			
Accounts payable	33,467	355,963	389,430
Contractors' payable	-	27,721	27,721
Accrued payroll	5,789	-	5,789
Unearned revenue	84,670	-	84,670
Other payables	1,000	19,506	20,506
	<hr/>		
Total current liabilities	124,926	403,190	528,116
LONG-TERM LIABILITIES			
None	-	-	-
	<hr/>		
Total long-term liabilities	-	-	-
	<hr/>		
Total liabilities	124,926	403,190	528,116
NET POSITION			
Investment in capital assets	2,277,111	3,214,534	5,491,645
Unrestricted (deficit)	190,476	(158,356)	32,120
	<hr/>		
TOTAL NET POSITION	\$ 2,467,587	\$ 3,056,178	\$ 5,523,765
	<hr/>		

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	Municipal Railroad Parking Lot	Hanover Square	Total
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 371,185	\$ -	\$ 371,185
Rental income	-	667,735	667,735
Other	-	42,968	42,968
	<hr/>		
Total operating revenues	371,185	710,703	1,081,888
OPERATING EXPENSES			
Operations			
Personal services	193,145	-	193,145
Commodities	6,935	375	7,310
Contractual services	119,466	672,925	792,391
Capital maintenance	24,382	-	24,382
Depreciation	43,656	21,230	64,886
	<hr/>		
Total operating expenses	387,584	694,530	1,082,114
OPERATING INCOME	(16,399)	16,173	(226)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	187	216	403
	<hr/>		
Total non-operating revenues (expenses)	187	216	403
NET INCOME BEFORE CONTRIBUTIONS	(16,212)	16,389	177
CONTRIBUTIONS	-	180,126	180,126
CHANGE IN NET POSITION	(16,212)	196,515	180,303
NET POSITION, MAY 1	2,483,799	2,859,663	5,343,462
	<hr/>		
NET POSITION, APRIL 30	\$ 2,467,587	\$ 3,056,178	\$ 5,523,765

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2014

	Municipal Railroad Parking Lot	Hanover Square	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 387,876	\$ 702,471	\$ 1,090,347
Payments to suppliers	(96,270)	(673,203)	(769,473)
Payments to employees	(191,358)	-	(191,358)
Net cash from operating activities	100,248	29,268	129,516
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loans	-	(97,186)	(97,186)
Net cash from noncapital financing activities	-	(97,186)	(97,186)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	-	67,713	67,713
Net cash from capital and related financing activities	-	67,713	67,713
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	187	216	403
Net cash from investing activities	187	216	403
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,435	11	100,446
CASH AND CASH EQUIVALENTS, MAY 1	197,432	120,336	317,768
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 297,867	\$ 120,347	\$ 418,214

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2014

	Municipal Railroad Parking Lot	Hanover Square	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (16,399)	\$ 16,173	\$ (226)
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization	43,656	21,230	64,886
Changes in assets and liabilities			
Receivables	(904)	(9,040)	(9,944)
Prepaid expenses	25,716	-	25,716
Accounts payable	29,701	97	29,798
Accrued payroll	1,787	-	1,787
Deferred revenue	16,691	-	16,691
Other payables	-	808	808
NET CASH FROM OPERATING ACTIVITIES	\$ 100,248	\$ 29,268	\$ 129,516
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 297,867	\$ 120,347	\$ 418,214
Investments	-	-	-
TOTAL CASH AND INVESTMENTS	\$ 297,867	\$ 120,347	\$ 418,214

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 303,932	\$ 303,932	\$ 371,185
License penalties	20	20	-
Total operating revenues	<u>303,952</u>	<u>303,952</u>	<u>371,185</u>
OPERATING EXPENSES			
Operations			
Personal services	177,711	177,711	193,145
Commodities	12,944	12,944	6,935
Contractual services	99,668	99,668	119,466
Capital outlay	75,000	75,000	24,382
Depreciation	47,000	47,000	43,656
Total operating expenses	<u>412,323</u>	<u>412,323</u>	<u>387,584</u>
OPERATING INCOME (LOSS)	<u>(108,371)</u>	<u>(108,371)</u>	<u>(16,399)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	150	150	187
Total non-operating revenues (expenses)	<u>150</u>	<u>150</u>	<u>187</u>
CHANGE IN NET POSITION	<u>\$ (108,221)</u>	<u>\$ (108,221)</u>	<u>(16,212)</u>
NET POSITION, MAY 1			<u>2,483,799</u>
NET POSITION, APRIL 30			<u>\$ 2,467,587</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

HANOVER SQUARE FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Rental income	\$ 670,000	\$ 670,000	\$ 667,735
Other	41,000	41,000	42,968
Total operating revenues	<u>711,000</u>	<u>711,000</u>	<u>710,703</u>
OPERATING EXPENSES			
Operations			
Commodities	-	-	375
Contractual services	659,350	659,350	672,925
Capital maintenance	72,558	72,558	112,414
Less capitalized assets	-	-	(112,414)
Depreciation	18,092	18,092	21,230
Total operating expenses	<u>750,000</u>	<u>750,000</u>	<u>694,530</u>
OPERATING INCOME	<u>(39,000)</u>	<u>(39,000)</u>	<u>16,173</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	-	-	216
Other income	39,000	39,000	-
Total Non-operating Revenues (Expenses)	<u>39,000</u>	<u>39,000</u>	<u>216</u>
NET INCOME BEFORE CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>16,389</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>180,126</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>196,515</u>
NET POSITION, MAY 1			<u>2,859,663</u>
NET POSITION, APRIL 30			<u>\$ 3,056,178</u>

(See independent auditor's report.)

INTERNAL SERVICE FUND

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

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 942,097	\$ 942,097	\$ 942,097
Total operating revenues	942,097	942,097	942,097
OPERATING EXPENSES			
Capital outlay	1,120,000	1,120,000	207,709
Debt service			
Principal	49,707	49,707	-
Total operating expenses	1,169,707	1,169,707	207,709
OPERATING INCOME (LOSS)	(227,610)	(227,610)	734,388
NON-OPERATING REVENUES (EXPENSES)			
Investment income	28,021	28,021	17,134
Gain on disposal of capital assets	-	-	47,174
Total non-operating revenues (expenses)	28,021	28,021	64,308
NET INCOME (LOSS) - BUDGET BASIS	(199,589)	(199,589)	798,696
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	154,073
Depreciation	-	-	(491,831)
Total adjustments to GAAP basis	-	-	(337,758)
CONTRIBUTIONS			
	-	-	-
CHANGE IN NET POSITION	\$ (199,589)	\$ (199,589)	460,938
NET POSITION, MAY 1			6,864,581
NET POSITION, APRIL 30			\$ 7,325,519

(See independent auditor's report.)

FIDUCIARY FUNDS

TRUST FUNDS

Pension Trust Funds

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and cash equivalents	\$ 855,701	\$ 329,724	\$ 1,185,425
Investments			
U.S. government and agency obligations	10,222,893	5,783,446	16,006,339
State and local obligations	50,009	-	50,009
Money market mutual funds	-	310,447	310,447
Mutual funds	14,903,089	8,122,672	23,025,761
Illinois Metropolitan Investment Fund	131,083	251,651	382,734
Receivables			
Accrued interest	56,814	17,152	73,966
Prepaid items	4,977	3,291	8,268
 Total assets	 26,224,566	 14,818,383	 41,042,949
LIABILITIES			
Accounts payable	2,362	2,826	5,188
 Total liabilities	 2,362	 2,826	 5,188
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	 \$ 26,222,204	 \$ 14,815,557	 \$ 41,037,761

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer contributions	\$ 1,729,682	\$ 915,601	\$ 2,645,283
Employee contributions	478,029	269,842	747,871
Other contributions	111	-	111
Total contributions	<u>2,207,822</u>	<u>1,185,443</u>	<u>3,393,265</u>
Investment income			
Net appreciation in fair value of investments	1,605,571	866,894	2,472,465
Interest	668,466	356,347	1,024,813
Total investment income	2,274,037	1,223,241	3,497,278
Less investment expense	<u>(51,550)</u>	<u>(31,130)</u>	<u>(82,680)</u>
Net investment income	<u>2,222,487</u>	<u>1,192,111</u>	<u>3,414,598</u>
Total additions	<u>4,430,309</u>	<u>2,377,554</u>	<u>6,807,863</u>
DEDUCTIONS			
Benefits and refunds	1,894,450	856,143	2,750,593
Administrative expenses	26,094	36,171	62,265
Total deductions	<u>1,920,544</u>	<u>892,314</u>	<u>2,812,858</u>
NET INCREASE	2,509,765	1,485,240	3,995,005
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	<u>23,712,439</u>	<u>13,330,317</u>	<u>37,042,756</u>
April 30	<u>\$ 26,222,204</u>	<u>\$ 14,815,557</u>	<u>\$ 41,037,761</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 1,729,683	\$ 1,729,683	\$ 1,729,682
Employee contributions	468,156	468,156	478,029
Other contributions	-	-	111
Total contributions	<u>2,197,839</u>	<u>2,197,839</u>	<u>2,207,822</u>
Investment income			
Net appreciation in fair value of investments	910,000	910,000	1,605,571
Interest	350,000	350,000	668,466
Total investment income	1,260,000	1,260,000	2,274,037
Less investment expense	<u>(50,000)</u>	<u>(50,000)</u>	<u>(51,550)</u>
Net investment income	<u>1,210,000</u>	<u>1,210,000</u>	<u>2,222,487</u>
Total additions	<u>3,407,839</u>	<u>3,407,839</u>	<u>4,430,309</u>
DEDUCTIONS			
Benefits and refunds	1,799,932	1,997,062	1,894,450
Administrative expenses	42,250	42,250	26,094
Total deductions	<u>1,842,182</u>	<u>2,039,312</u>	<u>1,920,544</u>
NET INCREASE	<u>\$ 1,565,657</u>	<u>\$ 1,368,527</u>	2,509,765
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			<u>23,712,439</u>
April 30			<u>\$ 26,222,204</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 915,601	\$ 915,601	\$ 915,601
Employee contributions	271,451	271,451	269,842
Total contributions	1,187,052	1,187,052	1,185,443
Investment income			
Net appreciation in fair value of investments	506,227	506,227	866,894
Interest	249,000	249,000	356,347
Total investment income	755,227	755,227	1,223,241
Less investment expense	(28,000)	(28,000)	(31,130)
Net investment income	727,227	727,227	1,192,111
Total additions	1,914,279	1,914,279	2,377,554
DEDUCTIONS			
Benefits and refunds	1,049,422	1,049,422	856,143
Administrative expenses	32,683	32,683	36,171
Total deductions	1,082,105	1,082,105	892,314
NET INCREASE	\$ 832,174	\$ 832,174	1,485,240
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			13,330,317
April 30			\$ 14,815,557

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

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

April 30, 2014

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2013	\$ 290,000	\$ 503,513	\$ 793,513	2014	\$ 251,756	2014	\$ 251,757
2014	295,000	495,248	790,248	2015	247,624	2015	247,624
2015	305,000	485,218	790,218	2016	242,609	2016	242,609
2016	310,000	473,780	783,780	2017	236,890	2017	236,890
2017	315,000	460,604	775,604	2018	230,302	2018	230,302
2018	325,000	446,903	771,903	2019	223,451	2019	223,452
2019	330,000	431,628	761,628	2020	215,814	2020	215,814
2020	340,000	413,808	753,808	2021	206,904	2021	206,904
2021	345,000	395,448	740,448	2022	197,724	2022	197,724
2022	355,000	376,818	731,818	2023	188,409	2023	188,409
2023	365,000	357,648	722,648	2024	178,824	2024	178,824
2024	1,095,000	337,938	1,432,938	2025	168,969	2025	168,969
2025	1,130,000	277,164	1,407,164	2026	138,582	2026	138,582
2026	1,170,000	212,755	1,382,755	2027	106,378	2027	106,377
2027	1,210,000	145,480	1,355,480	2028	72,740	2028	72,740
2028	1,255,000	75,300	1,330,300	2029	37,650	2029	37,650
	<u>\$ 9,435,000</u>	<u>\$ 5,889,253</u>	<u>\$ 15,324,253</u>		<u>\$ 2,944,626</u>		<u>\$ 2,944,627</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2014

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2013	\$ 100,000	\$ 298,063	\$ 398,063	2014	\$ 149,031	2014	\$ 149,032
2014	150,000	295,412	445,412	2015	147,706	2015	147,706
2015	175,000	290,912	465,912	2016	145,456	2016	145,456
2016	200,000	284,438	484,438	2017	142,219	2017	142,219
2017	200,000	276,038	476,038	2018	138,019	2018	138,019
2018	200,000	267,038	467,038	2019	133,519	2019	133,519
2019	200,000	257,238	457,238	2020	128,619	2020	128,619
2020	200,000	246,838	446,838	2021	123,419	2021	123,419
2021	200,000	235,838	435,838	2022	117,919	2022	117,919
2022	200,000	224,138	424,138	2023	112,069	2023	112,069
2023	225,000	212,438	437,438	2024	106,219	2024	106,219
2024	250,000	198,375	448,375	2025	99,187	2025	99,188
2025	275,000	182,750	457,750	2026	91,375	2026	91,375
2026	275,000	164,875	439,875	2027	82,437	2027	82,438
2027	300,000	147,000	447,000	2028	73,500	2028	73,500
2028	300,000	126,000	426,000	2029	63,000	2029	63,000
2029	1,500,000	105,000	1,605,000	2030	52,500	2030	52,500
	<u>\$ 4,950,000</u>	<u>\$ 3,812,391</u>	<u>\$ 8,762,391</u>		<u>\$ 1,906,194</u>		<u>\$ 1,906,197</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2014

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2013	\$ 485,000	\$ 156,512	\$ 641,512	2014	\$ 78,256	2014	\$ 78,256
2014	500,000	146,812	646,812	2015	73,406	2015	73,406
2015	505,000	136,812	641,812	2016	68,406	2016	68,406
2016	520,000	126,712	646,712	2017	63,356	2017	63,356
2017	535,000	116,312	651,312	2018	58,156	2018	58,156
2018	545,000	104,277	649,277	2019	52,138	2019	52,139
2019	565,000	90,650	655,650	2020	45,325	2020	45,325
2020	580,000	75,114	655,114	2021	37,557	2021	37,557
2021	600,000	57,712	657,712	2022	28,856	2022	28,856
2022	625,000	39,712	664,712	2023	19,856	2023	19,856
2023	645,000	20,962	665,962	2024	10,481	2024	10,481
	<u>\$ 6,105,000</u>	<u>\$ 1,071,587</u>	<u>\$ 7,176,587</u>		<u>\$ 535,793</u>		<u>\$ 535,794</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
1997 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN**

April 30, 2014

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due on			
				October 9	Amount	April 9	Amount
2015	\$ 228,257	\$ 18,233	\$ 246,490	2014	\$ 9,914	2014	\$ 8,319
2016	234,728	11,762	246,490	2015	6,701	2015	5,061
2017	241,384	5,107	246,491	2016	3,397	2016	1,710
	<u>\$ 704,369</u>	<u>\$ 35,102</u>	<u>\$ 739,471</u>		<u>\$ 20,012</u>		<u>\$ 15,090</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
2000 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

April 30, 2014

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due on			
				July 1	Amount	January 1	Amount
2015	\$ 102,995	\$ 14,543	\$ 117,538	2014	\$ 7,607	2014	\$ 6,936
2016	105,716	11,822	117,538	2015	6,256	2015	5,566
2017	108,509	9,029	117,538	2016	4,868	2016	4,161
2018	111,376	6,162	117,538	2017	3,444	2017	2,718
2019	114,319	3,219	117,538	2018	1,982	2018	1,237
2020	36,691	482	37,173	2019	482	2019	-
	<u>\$ 579,606</u>	<u>\$ 45,257</u>	<u>\$ 624,863</u>		<u>\$ 24,639</u>		<u>\$ 20,618</u>

(See independent auditor's report.)

STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	106-113
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	114-123
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.	124-127
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.	128-129
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.	130-133

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

VILLAGE OF HANOVER PARK, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 42,683,565	\$ 43,981,453	\$ 43,282,520	\$ 44,085,337	\$ 45,392,922	\$ 44,420,879	\$ 44,389,269	\$ 45,248,341	\$ 48,546,851	\$ 48,743,363
Restricted	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,048,350	4,829,701	5,294,935
Unrestricted	187,403	2,669,003	8,575,116	12,336,999	14,230,151	18,596,124	13,059,714	15,514,984	11,779,582	14,654,715
TOTAL GOVERNMENTAL ACTIVITIES	\$ 51,929,981	\$ 56,256,244	\$ 61,262,697	\$ 65,569,196	\$ 68,193,183	\$ 70,095,779	\$ 71,113,055	\$ 65,811,675	\$ 65,156,134	\$ 68,693,013
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 22,194,042	\$ 22,195,261	\$ 21,978,529	\$ 22,593,334	\$ 23,024,852	\$ 23,062,850	\$ 23,554,396	\$ 26,694,874	\$ 27,371,016	\$ 26,941,735
Restricted	-	-	-	-	-	-	-	13,644	-	-
Unrestricted	6,709,398	6,975,685	7,590,332	8,033,586	7,287,097	6,988,149	6,239,034	6,277,037	7,296,568	8,581,691
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 28,903,440	\$ 29,170,946	\$ 29,568,861	\$ 30,626,920	\$ 30,311,949	\$ 30,050,999	\$ 29,793,430	\$ 32,985,555	\$ 34,667,584	\$ 35,523,426
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 64,877,607	\$ 66,176,714	\$ 65,261,049	\$ 66,678,671	\$ 68,417,774	\$ 67,483,729	\$ 67,943,665	\$ 71,943,215	\$ 75,917,867	\$ 75,685,098
Restricted	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,061,994	4,829,701	5,294,935
Unrestricted	6,896,801	9,644,688	16,165,448	20,370,585	21,517,248	25,584,273	19,298,748	21,792,021	19,076,150	23,236,406
TOTAL PRIMARY GOVERNMENT	\$ 80,833,421	\$ 85,427,190	\$ 90,831,558	\$ 96,196,116	\$ 98,505,132	\$ 100,146,778	\$ 100,906,485	\$ 98,797,230	\$ 99,823,718	\$ 104,216,439

Data Source

Audited Financial Statements

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
EXPENSES			
Governmental activities			
General government	\$ 3,032,901	\$ 3,151,719	\$ 2,995,293
Public works	2,691,590	2,967,923	3,123,131
Public safety	11,803,812	12,732,089	12,112,702
Community development	874,275	1,250,312	1,745,000
Highways and streets	1,651,616	1,904,303	1,899,180
Interest	816,506	870,101	791,433
Total governmental activities expenses	<u>20,870,700</u>	<u>22,876,447</u>	<u>22,666,739</u>
Business-type activities			
Water and sewer	6,957,557	7,167,282	7,292,161
Parking	368,048	349,930	329,848
Hanover Square	-	-	-
Total business-type activities expenses	<u>7,325,605</u>	<u>7,517,212</u>	<u>7,622,009</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 28,196,305</u>	<u>\$ 30,393,659</u>	<u>\$ 30,288,748</u>
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 806,186	\$ 796,144	\$ 855,148
Public safety	1,216,106	1,720,844	1,732,822
Community development	255,336	267,630	292,135
Public works	-	-	-
Operating grants and contributions	1,795,459	1,174,947	1,228,520
Capital grants and contributions	-	129,987	76,798
Total governmental activities program revenues	<u>4,073,087</u>	<u>4,089,552</u>	<u>4,185,423</u>
Business-type activities			
Charges for services			
Water and sewer	7,285,627	7,452,531	7,549,899
Parking	243,232	256,413	277,673
Hanover Square	-	-	-
Operating grants and contributions	110,000	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	<u>7,638,859</u>	<u>7,708,944</u>	<u>7,827,572</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 11,711,946</u>	<u>\$ 11,798,496</u>	<u>\$ 12,012,995</u>

	2008	2009	2010	2011	2012	2013	2014
\$	3,170,869	\$ 3,673,924	\$ 3,208,066	\$ 4,618,393	\$ 4,634,174	\$ 4,988,649	\$ 4,297,802
	4,053,485	3,644,764	4,718,013	1,085,698	5,183,573	4,070,954	4,211,656
	13,823,930	15,252,239	15,805,836	17,146,057	15,473,122	18,014,749	18,224,677
	3,957,924	1,432,745	1,608,453	5,160,147	8,971,096	711,260	681,395
	2,200,904	2,412,849	2,019,122	1,582,651	1,499,979	3,946,982	3,522,824
	690,844	570,923	517,780	906,055	1,041,142	1,054,210	1,076,381
	27,897,956	26,987,444	27,877,270	30,499,001	36,803,086	32,786,804	32,014,735
	7,367,849	7,667,569	7,847,111	8,044,254	8,443,812	8,976,177	9,998,473
	353,128	348,435	329,761	336,895	309,014	280,836	387,584
	-	-	-	-	230,810	694,736	694,530
	7,720,977	8,016,004	8,176,872	8,381,149	8,983,636	9,951,749	11,080,587
\$	35,618,933	\$ 35,003,448	\$ 36,054,142	\$ 38,880,150	\$ 45,786,722	\$ 42,738,553	\$ 43,095,322
\$	836,179	\$ 837,821	\$ 909,723	\$ 1,085,427	\$ 1,106,938	\$ 1,157,752	\$ 1,212,828
	1,386,053	1,661,190	1,607,603	1,732,022	1,969,673	2,045,438	1,989,029
	243,066	134,915	331,637	15,800	14,116	22,493	61,714
	-	-	-	171,931	126,584	150,684	245,355
	1,230,772	1,121,001	1,032,614	1,546,945	1,432,867	1,228,338	1,343,393
	1,438,909	-	-	543,452	475,557	318,006	266,197
	5,134,979	3,754,927	3,881,577	5,095,577	5,125,735	4,922,711	5,118,516
	7,242,681	7,191,418	7,588,046	7,965,071	8,889,712	10,210,092	11,077,306
	291,960	296,545	272,798	292,286	328,749	317,446	371,185
	-	-	-	-	236,916	669,670	710,703
	-	-	-	-	-	-	-
	827,377	-	-	-	102,105	688,932	180,126
	8,362,018	7,487,963	7,860,844	8,257,357	9,557,482	11,886,140	12,339,320
\$	13,496,997	\$ 11,242,890	\$ 11,742,421	\$ 13,352,934	\$ 14,683,217	\$ 16,808,851	\$ 17,457,836

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
NET (EXPENSES) REVENUES			
Governmental activities	\$ (16,797,613)	\$ (18,786,895)	\$ (18,481,316)
Business-type activities	313,254	191,732	205,563
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (16,484,359)	\$ (18,595,163)	\$ (18,275,753)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities			
Taxes			
Property	\$ 9,128,336	\$ 10,556,379	\$ 10,313,391
Sales, local use	3,405,265	3,764,767	3,867,302
Utility	1,224,144	1,735,559	1,872,699
Hotel/motel	35,954	39,848	40,376
Food and beverage	1,025,182	1,057,701	1,083,296
Other	840,757	861,355	596,318
Intergovernmental			
Personal property replacement tax	64,313	82,734	89,869
Income	2,591,407	2,924,903	3,226,202
Investment income	474,107	859,078	1,450,517
Miscellaneous	551,567	1,059,346	912,304
Transfers	22,908	71,488	35,495
Total governmental activities	19,363,940	23,013,158	23,487,769
Business-type activities			
Investment income	85,966	143,937	275,851
Miscellaneous	7,600	3,325	(48,004)
Transfers	(22,908)	(71,488)	(35,495)
Total business-type activities	70,658	75,774	192,352
TOTAL PRIMARY GOVERNMENT	\$ 19,434,598	\$ 23,088,932	\$ 23,680,121
CHANGE IN NET POSITION			
Governmental activities	\$ 2,566,327	\$ 4,226,263	\$ 5,006,453
Business-type activities	383,912	267,506	397,915
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,950,239	\$ 4,493,769	\$ 5,404,368

Data Source

Audited Financial Statements

	2008	2009	2010	2011	2012	2013	2014
\$	(22,762,977)	\$ (23,232,517)	\$ (23,995,693)	\$ (25,403,424)	\$ (31,677,351)	\$ (27,864,093)	\$ (26,896,219)
	641,041	(528,041)	(316,028)	(123,792)	573,846	1,934,391	1,258,733
\$	(22,121,936)	\$ (23,760,558)	\$ (24,311,721)	\$ (25,527,216)	\$ (31,103,505)	\$ (25,929,702)	\$ (25,637,486)
\$	10,315,338	\$ 11,819,859	\$ 13,068,529	\$ 13,130,988	\$ 14,808,277	\$ 13,110,176	\$ 13,729,431
	4,025,910	5,051,309	4,744,662	7,561,001	7,432,314	7,394,170	9,248,795
	2,015,759	1,886,260	1,821,364	1,750,085	1,730,990	1,621,854	1,588,171
	40,591	32,711	33,614	32,979	35,281	36,686	43,687
	1,101,714	1,088,047	1,047,406	1,072,674	1,086,568	1,018,775	1,036,661
	399,850	196,003	167,871	223,762	298,311	225,065	302,021
	102,976	94,052	83,336	92,787	83,412	82,765	94,867
	3,524,383	3,487,693	3,040,184	2,984,408	3,096,265	3,422,147	3,700,323
	1,492,471	793,552	331,555	150,716	71,672	106,443	153,820
	3,975,283	1,359,699	1,548,494	78,619	113,146	99,397	113,527
	75,201	47,319	11,274	163,219	(2,605,806)	315,418	421,795
	27,069,476	25,856,504	25,898,289	27,241,238	26,150,430	27,432,896	30,433,098
	329,724	181,599	43,133	19,723	8,996	10,825	8,476
	162,495	78,790	23,219	9,719	3,477	52,231	10,428
	(75,201)	(47,319)	(11,274)	(163,219)	2,605,806	(315,418)	(421,795)
	417,018	213,070	55,078	(133,777)	2,618,279	(252,362)	(402,891)
\$	27,486,494	\$ 26,069,574	\$ 25,953,367	\$ 27,107,461	\$ 28,768,709	\$ 27,180,534	\$ 30,030,207
\$	4,306,499	\$ 2,623,987	\$ 1,902,596	\$ 1,837,814	\$ (5,526,921)	\$ (431,197)	\$ 3,536,879
	1,058,059	(314,971)	(260,950)	(257,569)	3,192,125	1,682,029	855,842
\$	5,364,558	\$ 2,309,016	\$ 1,641,646	\$ 1,580,245	\$ (2,334,796)	\$ 1,250,832	\$ 4,392,721

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

Fiscal Year	2005 ⁽¹⁾	2006	2007	2008	2009	2010 ⁽¹⁾	2011	2012 ⁽²⁾	2013	2014
GENERAL FUND										
Reserved	\$ 755,240	\$ 730,035	\$ 798,214	\$ 874,984	\$ 831,732	\$ 1,072,335	\$ 840,075	\$ -	\$ -	\$ -
Unreserved/undesignated	6,859,146	8,205,921	9,045,003	7,849,607	7,920,285	7,492,166	7,831,351	-	-	-
Nonspendable	-	-	-	-	-	-	-	2,106,350	1,561,197	1,114,638
Restricted	-	-	-	-	-	-	-	136,946	134,910	134,910
Unrestricted										
Assigned	-	-	-	-	-	-	-	674,316	-	-
Unassigned	-	-	-	-	-	-	-	7,099,207	8,473,882	11,611,884
TOTAL GENERAL FUND	\$ 7,614,386	\$ 8,935,956	\$ 9,843,217	\$ 8,724,591	\$ 8,752,017	\$ 8,564,501	\$ 8,671,426	\$ 10,016,819	\$ 10,169,989	\$ 12,861,432
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 15,343,970	\$ 11,119,689	\$ 9,674,392	\$ 9,378,098	\$ 8,759,345	\$ 7,226,197	\$ 22,127,853	\$ -	\$ -	\$ -
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	(44,340)	(508,011)	-	-	-
Capital Project Funds	1,780,042	2,034,890	2,454,303	3,864,443	3,500,933	15,626,848	(95,629)	-	-	-
Nonspendable	-	-	-	-	-	-	-	332,306	-	-
Restricted	-	-	-	-	-	-	-	4,911,404	4,694,791	5,160,025
Unrestricted										
Assigned	-	-	-	-	-	-	-	518,719	273,045	124,603
Unassigned (deficit)	-	-	-	-	-	-	-	(388,417)	(304,265)	(438,081)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 17,124,012	\$ 13,154,579	\$ 12,128,695	\$ 13,242,541	\$ 12,260,278	\$ 22,808,705	\$ 21,524,213	\$ 5,374,012	\$ 4,663,571	\$ 4,846,547

(1) The fund balance for all other governmental funds increased significantly in fiscal year 2005 and 2010 due to the issuance of the 2004 General Obligation Bonds and 2010 General Obligation Bonds, respectively.

(2) The fund balances declined in 2012 due to the spending of bonds issued for completion of the police station and other capital projects.

Data Source

Audited Financial Statements

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005 ⁽¹⁾	2006 ⁽²⁾	2007 ⁽²⁾
REVENUES			
Taxes	\$ 15,252,100	\$ 17,562,838	\$ 17,275,302
Licenses and permits	820,362	840,525	871,302
Intergovernmental	4,858,717	4,765,342	5,119,469
Charges for services and fees	925,111	1,314,082	1,385,294
Fines and forfeits	518,741	615,398	608,308
Investment income	396,188	740,859	1,176,037
Miscellaneous	551,567	1,159,346	912,304
Total revenues	23,322,786	26,998,390	27,348,016
EXPENDITURES			
General government	2,728,647	3,050,356	2,854,656
Public works	2,471,206	2,571,833	2,769,315
Public safety	11,345,508	12,289,563	13,202,008
Community development	879,085	1,186,171	1,425,830
Highways and streets	1,093,708	1,215,723	1,693,169
Capital outlay	1,500,129	6,478,415	2,345,634
Debt service			
Principal	2,053,638	2,012,617	2,394,137
Interest and fiscal charges	699,117	913,063	817,385
Total expenditures	22,771,038	29,717,741	27,502,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	551,748	(2,719,351)	(154,118)
OTHER FINANCING SOURCES (USES)			
Proceeds from bonds	7,000,000	-	-
Premiums (discounts) on debt issuance	-	-	-
Transfers in	601,923	1,246,418	788,972
Transfers (out)	(579,015)	(1,174,930)	(753,477)
Sale of property	-	-	-
Total other financing sources (uses)	7,022,908	71,488	35,495
NET CHANGE IN FUND BALANCES	\$ 7,574,656	\$ (2,647,863)	\$ (118,623)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES			
	12.94%	12.59%	12.52%

(2) The significant increase in the fund balance is due to the issuance of the 2004 General Obligation Bonds.

(3) The decrease in fund balance is due to the expenditure of bonds proceeds from the 2004 General Obligation Bonds for the construction of a new Headquarters Fire Station.

(4) The significant increase in the fund balance is due to the issuance of the 2010 General Obligation Bonds.

(5) The current refunding in 2012 caused a \$7,000,000 of principal expenditures.

Data Source

Audited Financial Statements

2008	2009	2010 ⁽³⁾	2011	2012 ⁽⁴⁾	2013	2014
\$ 17,362,673	\$ 19,541,574	\$ 20,429,442	\$ 26,848,683	\$ 25,475,151	\$ 23,406,726	\$ 25,948,765
839,389	774,180	1,021,353	968,506	911,722	979,424	1,138,365
5,394,620	5,235,361	4,610,138	1,863,227	5,004,050	4,985,926	5,380,058
1,080,833	1,293,540	1,180,163	1,238,743	1,650,614	1,720,380	1,764,636
528,764	550,398	630,843	512,934	640,015	660,603	590,966
1,144,525	572,536	247,200	150,716	71,672	106,443	153,820
3,039,352	843,209	1,460,270	590,787	128,747	180,687	153,209
29,390,156	28,810,798	29,579,409	32,173,596	33,881,971	32,040,189	35,129,819
2,972,390	3,501,523	3,092,878	4,808,312	5,280,476	4,923,925	5,247,701
3,331,597	3,263,408	3,321,777	2,901,960	3,583,057	3,888,126	3,494,643
13,589,622	14,559,167	15,643,448	16,085,156	17,232,650	17,388,396	17,837,161
3,885,488	1,374,261	1,385,981	1,058,951	5,566,340	968,226	660,326
1,206,230	1,720,920	1,391,323	711,830	659,311	752,272	796,373
1,250,792	2,113,267	1,174,993	10,329,362	14,402,668	3,188,327	2,745,856
2,509,878	2,670,000	2,660,000	1,045,000	8,095,000	730,000	810,000
724,140	610,408	479,372	713,273	1,257,620	1,073,606	1,085,135
29,470,137	29,812,954	29,149,772	37,653,844	56,077,122	32,912,878	32,677,195
(79,981)	(1,002,156)	429,637	(5,480,248)	(22,195,151)	(872,689)	2,452,624
-	-	10,000,000	5,000,000	7,030,000	-	-
-	-	(80,000)	(40,000)	102,775	-	-
2,450,815	824,320	3,814,247	3,480,058	5,665,632	1,198,605	1,444,301
(2,375,614)	(777,001)	(3,802,973)	(3,316,839)	(5,633,605)	(883,187)	(1,022,506)
-	-	-	-	-	-	-
75,201	47,319	9,931,274	5,123,219	7,164,802	315,418	421,795
\$ (4,780)	\$ (954,837)	\$ 10,360,911	\$ (357,029)	\$ (15,030,349)	\$ (557,271)	\$ 2,874,419
11.66%	11.57%	11.01%	5.93%	25.28%	5.75%	6.05%

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
COOK COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2004	\$ 185,522,484	\$ -	\$ 54,752,068	\$ 5,736,273	\$ 246,010,825	\$ -	\$ 246,010,825	1.437
2005	196,068,136	2,649	56,662,400	6,009,123	258,742,308	-	258,742,308	1.343
2006	201,194,694	2,649	52,230,877	6,577,841	260,006,061	-	260,006,061	1.402
2007	231,228,718	2,649	56,923,990	5,514,740	293,670,097	-	293,670,097	1.286
2008	250,690,470	2,649	58,979,875	5,454,224	315,127,218	-	315,127,218	1.183
2009	280,452,625	1,656	56,257,117	4,802,915	341,514,313	-	341,514,313	1.167
2010	254,796,416	1,656	50,647,229	5,196,458	310,641,759	-	310,641,759	1.549
2011	237,115,286	1,656	56,439,864	11,102,423	304,659,229	-	304,659,229	1.591
2012	217,980,488	1,656	55,520,023	7,096,304	280,598,471	-	280,598,471	1.939
2013	172,348,742	1,656	50,024,995	7,085,250	229,460,643	-	229,460,643	2.637

N/A - Current not available

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
DUPAGE COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2004	\$ 280,454,471	\$ 23,693	\$ 19,245,640	\$ 71,438,140	\$ 371,161,944	\$ 7,429	\$ 371,169,373	1.3371
2005	303,027,925	21,322	20,574,170	74,112,050	397,735,467	7,429	397,742,896	1.2716
2006	327,307,467	20,208	20,972,440	79,629,190	427,929,305	11,078	427,940,383	1.2897
2007	351,550,142	17,962	21,677,650	79,256,420	452,502,174	15,750	452,517,924	1.2124
2008	368,655,019	19,489	22,139,080	83,243,390	474,056,978	20,597	474,077,575	1.2199
2009	365,703,065	21,440	22,122,460	81,369,680	469,216,645	25,317	469,241,962	1.3755
2010	336,808,809	23,589	20,901,850	75,250,920	432,985,168	26,401	433,011,569	1.5830
2011	297,482,660	25,920	20,775,950	72,968,610	391,253,140	23,933	391,277,073	1.6506
2012	262,398,693	28,512	18,710,960	64,919,690	346,057,855	29,291	346,087,146	2.1327
2013	234,486,782	31,364	17,528,130	60,863,810	312,910,086	31,070	312,941,156	2.3941

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY

Last Ten Levy Years

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

N/A - Not Currently Available

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

Data Source

Cook County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - DUPAGE COUNTY

Last Ten Levy Years

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

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

Data Source

DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

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

Data Source

Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Fiscal Year Ended April 30,	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2005	\$ 7,940,587	\$ 1,461,007	18.40%	\$ 6,513,435	\$ 7,974,442	100.43%
2005	2006	8,113,730	1,597,398	19.69%	6,401,963	7,999,361	98.59%
2006	2007	8,669,475	1,581,476	18.24%	6,985,693	8,567,169	98.82%
2007	2008	8,771,573	1,643,467	18.74%	7,003,039	8,646,506	98.57%
2008	2009	8,997,079	1,689,164	18.77%	7,087,709	8,776,873	97.55%
2009	2010	9,360,557	1,840,527	19.66%	7,062,439	8,902,966	95.11%
2010	2011	11,081,993	1,677,810	15.14%	8,978,384	10,656,384	96.16%
2011	2012	11,294,245	2,548,018	22.56%	8,275,352	10,823,370	95.83%
2012	2013	11,718,824	2,478,683	21.15%	9,221,590	11,700,273	99.84%
2013	2014	12,692,238	2,787,865	21.97%	N/A	2,787,865	21.97%

N/A - Not available

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General merchandise	\$ 2,961	\$ 2,926	\$ 4,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	592,035	566,784	537,689	560,621	573,464	606,170	585,020	597,879	472,391	503,151
Drinking and eating places	254,085	276,760	284,919	286,025	281,456	256,548	253,927	264,442	278,890	284,229
Apparel	2,658	4,351	9,496	-	-	-	-	-	-	-
Furniture & HH & radio	127,962	126,497	102,353	104,591	42,647	24,904	24,015	24,163	27,875	27,853
Lumber, building and hardware	253,769	267,115	267,284	264,845	277,415	416,200	444,876	459,688	517,245	525,261
Automobile and filling stations	244,692	274,502	288,409	318,134	309,685	279,146	329,497	370,963	303,586	294,965
Drugs and miscellaneous retail	412,989	384,557	413,431	428,619	405,162	416,339	470,691	503,913	571,334	598,156
Agriculture and all others	471,654	488,584	498,388	534,035	1,194,051	2,035,368	2,398,052	2,614,185	2,542,521	2,831,702
Manufacturers	20,791	24,667	18,815	38,436	72,542	79,521	57,678	29,619	29,239	69,661
TOTAL	\$ 2,383,596	\$ 2,416,743	\$ 2,425,730	\$ 2,535,306	\$ 3,156,422	\$ 4,114,196	\$ 4,563,756	\$ 4,864,852	\$ 4,743,081	\$ 5,134,978
VILLAGE DIRECT SALES TAX RATE	1.00%									

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS
HOME RULE TAXABLE SALES BY CATEGORY
 Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General merchandise	\$ 1,393	\$ 1,303	\$ 2,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	80,129	83,355	74,013	75,161	64,159	68,648	70,052	71,383	56,370	65,115
Drinking and eating places	118,490	128,593	130,218	131,575	129,871	119,158	118,713	123,355	133,067	168,674
Apparel	1,329	2,176	4,748	-	-	-	-	-	-	-
Furniture & HH & radio	62,908	63,233	51,174	52,293	21,323	12,452	12,006	12,082	13,938	17,842
Lumber, building and hardware	125,973	132,419	132,285	130,691	136,980	204,575	219,262	226,021	254,137	321,137
Automobile and filling stations	111,532	129,927	137,456	148,079	147,813	133,108	156,364	177,242	139,940	175,553
Drugs and miscellaneous retail	109,254	91,921	97,012	100,342	88,635	91,278	121,662	133,369	167,456	230,393
Agriculture and all others	175,489	213,335	237,893	261,862	594,900	1,014,659	1,196,027	1,304,854	1,269,342	1,775,671
Manufacturers	10,371	12,207	9,307	19,123	36,144	39,529	28,387	14,353	14,061	43,212
TOTAL	\$ 796,868	\$ 858,469	\$ 876,255	\$ 919,126	\$ 1,219,825	\$ 1,683,407	\$ 1,922,473	\$ 2,062,659	\$ 2,048,311	\$ 2,797,597
VILLAGE HOME RULE SALES TAX RATE	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Regional Transportation Authority	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County home rule rate	0.75%	0.75%	0.75%	0.75%	1.75%	1.75%	1.25%	1.00%	0.75%	0.75%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	8.25%	8.25%	8.25%	8.50%	9.50%	9.50%	9.00%	8.75%	8.50%	8.50%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Fiscal Years

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

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds						
2005	\$ 13,850,000	\$ 502,846	\$ 7,400,000	\$ 3,890,457	\$ 25,643,303	\$ 617,180,198	4.15%	2.98%	\$ 669.90
2006	12,970,000	369,264	6,325,000	3,631,523	23,295,787	656,485,204	3.55%	3.28%	608.59
2007	12,060,000	232,021	4,900,000	3,365,405	20,557,426	687,946,444	2.99%	3.72%	537.06
2008	11,120,000	131,834	3,350,000	3,091,905	17,693,739	746,188,021	2.37%	4.32%	462.24
2009	10,150,000	49,250	1,650,000	2,810,817	14,660,067	789,204,793	1.86%	5.21%	382.99
2010	19,140,000	-	-	2,522,513	21,662,513	810,756,275	2.67%	3.53%	565.91
2011	23,095,000	-	-	2,225,029	25,320,029	753,653,328	3.36%	3.40%	666.79
2012	22,030,000	-	-	1,919,889	23,949,889	695,936,302	3.44%	3.59%	630.71
2013	21,289,045	-	-	1,606,283	22,895,328	626,685,617	3.65%	3.76%	602.94
2014	20,477,418	-	-	1,283,975	21,761,393	542,401,799	4.01%	2.53%	573.08

N/A - Currently Not Available

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2005	\$ 13,850,000	\$ 742,290	\$ 13,107,710	2.12%	\$ 342.40
2006	12,970,000	949,405	12,020,595	1.83%	314.03
2007	12,060,000	881,208	11,178,792	1.62%	292.04
2008	11,120,000	790,270	10,329,730	1.38%	269.86
2009	10,150,000	512,014	9,637,986	1.22%	251.79
2010	19,140,000	169,528	18,970,472	2.34%	495.60
2011	23,095,000	-	23,095,000	3.06%	608.20
2012	22,030,000	234,149	21,795,851	3.13%	573.98
2013	21,289,045	370,984	20,918,061	3.34%	550.87
2014	20,477,418	553,653	19,923,765	3.67%	524.68

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

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

Data Source

Village Records

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2014

Governmental Unit	Outstanding GO Bonded Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Hanover Park	\$ 20,490,000	100.00%	\$ 20,490,000
School District #20	5,170,000	35.54%	1,837,450
School District #93	15,330,000	8.62%	1,321,034
High School District #87	30,060,000 (3)	1.90%	572,383
High School District #108	42,200,000	6.97%	2,940,619
High School District #211	16,430,000	1.76%	289,539
Community School District #46	259,950,777 (2)	5.11%	13,271,463
Community College District #502	238,105,000 (3)	0.59%	1,397,287
Community College District #509	199,330,329 (2)	2.06%	4,105,184
Community College District #512	175,310,000	0.70%	1,234,236
Total school districts	<u>981,886,106</u>		<u>26,969,195</u>
Cook County	3,572,060,000	0.18%	6,526,495
DuPage County	45,085,000 (3)(4)	0.96%	430,650
Cook County Forest Preserve District	124,455,000 (3)	0.18%	227,391
DuPage County Forest Preserve District	174,143,156 (2)(3)	0.96%	1,663,407
Metropolitan Water Reclamation District	2,458,515,565 (1)	0.18%	4,382,715
Bartlett Park District	28,475,000 (3)	3.17%	903,410
Hanover Park Park District	1,287,065 (3)	94.93%	1,221,852
Schaumburg Park District	11,465,000 (3)	1.33%	152,594
Poplar Creek Library District	19,390,000	34.51%	6,691,689
Bloomington Fire Protection District	1,745,000	5.38%	93,836
Total other	<u>6,436,620,786</u>		<u>22,294,039</u>
Total overlapping debt	<u>7,418,506,892</u>		<u>49,263,234</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 7,438,996,892</u></u>		<u><u>\$ 69,753,234</u></u>

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

Data Source

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

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

April 30, 2014

The Village is a home rule municipality.

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2005	38,278	\$ 764,029	\$ 19,960	29.7	5,158	6.30%
2006	38,278	764,029	19,960	29.7	6,432	4.80%
2007	38,278	764,029	19,960	29.7	6,432	5.40%
2008	38,278	764,029	19,960	29.7	6,432	6.80%
2009	38,278	764,029	19,960	29.7	6,432	11.20%
2010	38,278	764,029	19,960	29.7	6,432	11.40%
2011	37,973	859,823	22,643	31.5	7,799	10.40%
2012	37,973	859,823	22,643	31.5	7,799	8.90%
2013	37,973	859,823	22,643	31.5	7,799	10.10%
2014	37,973	859,823	22,643	31.5	7,799	10.10%

Data Sources

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014 (1)			2004 (2)		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Maines Paper & Food Service	400	1	8.00%			
Fischer Scientific	300	2	6.00%	345	1	6.98%
Insight Enterprises, Inc.	250	3	5.00%	250	2	
Camcraft, Inc.	225	4	4.50%	200	2	4.05%
Everpure, LLC	200	5	4.00%			
AMPAC	200	5	4.00%			
Village of Hanover Park	193	7	3.86%	182	5	3.68%
Fuji Film	150	8	3.00%	185	3	3.64%
Fellowes Manufacturing	150	8	3.00%	120	7	2.43%
Wilson Pet Supply	120	9	2.40%	150	6	3.72%
General Binding Corp	200			200	3	
Fischer Scientific Distribution Center				100	9	
MAXRAD, Inc.	<u>100</u>	10	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,488</u>		<u>43.76%</u>	<u>1,732</u>		<u>24.50%</u>

Data Sources

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

(1) A selective telephone survey.

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

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Village Clerk	1	1	1	1	1	2	2	2	2	2
Administration	8	8	8	4	4	2	2	2	2	2
Legal	2	2	2	2	2	-	-	-	-	-
Human Resources	3	3	3	3	3	3	3	3	3	3
Information Technology	-	-	-	3	3	3	3	3	3	3
Finance	12	12	12	10	9	9	10	10	9	9
PUBLIC WORKS	35	35	35	39	39	37	38	38	38	38
POLICE	69	71	73	74	78	81	80	80	80	80
FIRE	30	30	33	36	36	36	37	40	41	41
COMMUNITY DEVELOPMENT	9	9	9	9	9	8	6	2	2	2
WATER AND SEWER	11	11	11	12						
TOTAL	180	182	187	193	196	193	193	192	192	192

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC WORKS										
Forestry										
Number of parkway trees planted	49	33	36	12	38	42	50	-	-	140
Number of parkway trees trimmed	1,880	2,176	2,457	2,443	1,724	1,994	2,094	2,311	2,123	1,870
Brush pickup program (cubic yards collected)	1,983	2,051	2,205	2,314	1,593	1,660	1,765	1,465	1,640	1,400
Fleet services										
Number of vehicles maintained	149	149	150	150	150	150	150	152	154	154
Preventative maintenance services	392	418	403	412	417	419	427	436	418	422
PUBLIC SAFETY										
Fire										
Number of fire calls	665	775	787	907	909	830	912	938	970	1,120
Number of EMS calls	1,745	1,831	1,885	2,022	2,225	2,045	2,255	2,347	2,356	2,458
Number of training hours	7,151	7,109	6,555	11,484	10,960	10,767	10,967	14,879	13,626	14,563
ISO rating	4	4	4	4	4	4	4	4	4	4
Police										
Part I crime	742	793	666	704	656	660	587	503	481	379
Part II crime	3,104	3,758	4,394	4,469	3,799	3,674	4,476	5,019	5,611	5,600
Calls for service	40,669	42,127	43,358	42,583	43,257	40,279	42,226	44,675	47,775	45,244
State tickets issued	7,453	8,812	9,564	8,808	7,069	6,022	6,320	7,039	9,135	7,793
Compliance tickets issued	24	95	118	43	5	14	26	15	16	5
Parking tickets issued	16,000	18,827	17,752	13,710	14,147	10,539	12,161	11,918	13,786	11,609
COMMUNITY DEVELOPMENT										
Number of building permits issued	2,028	1,633	1,442	1,794	1,402	1,233	1,808	1,405	1,502	987
Number of building inspections	7,052	5,957	5,694	5,267	5,744	3,246	3,845	2,585	2,791	2,965
Number of food service inspections	354	346	355	336	338	488	509	484	493	496
HIGHWAYS AND STREETS										
Sidewalk replaced (square feet)	23,400	24,667	22,511	21,148	17,629	18,377	25,100	26,361	30,159	23,600
Annual resurfacing program (\$)	586,848	672,363	630,085	553,835	584,161	563,027	647,921	550,713	917,493	799,039
Crack sealing (pounds installed)	26,120	27,420	24,910	24,900	-	29,400	27,000	22,700	21,777	22,680

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
WATER AND SEWER										
Water main breaks	59	96	37	39	49	37	58	55	75	43
Hydrants flushed	1,428	1,438	1,443	1,455	1,463	1,462	1,484	1,475	1,475	1,475
Water meters read	65,978	66,472	66,547	97,025	68,140	66,798	68,186	69,019	67,618	40,462
Water meter service requests	9,080	6,879	6,566	6,050	5,870	6,266	6,301	6,080	6,357	3,765
Water meters replaced	2,440	240	31	17	29	32	32	22	32	25
Total distribution pumpage (1,000 gallons)	973,198	1,095,611	1,084,912	1,029,079	965,392	974,916	954,763	938,977	929,490	889,160
Average daily pumpage (1,000 gallons)	2,666	3,002	2,972	2,819	2,645	2,671	2,616	2,566	2,547	2,436
Sanitary sewer televising (feet)	505	20,551	25,547	39,422	3,851	41,425	50,743	65,210	17,615	2,801
Sanitary sewer repairs	2	2	7	4	1	3	3	2	1	1

N/A - Not available

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
PUBLIC WORKS										
Streets (miles)	99.36	99.36	99.36	99.36	99.36	99.36	99.36	80.13	99.36	99.36
Sidewalks (miles)	154.04	154.04	154.66	154.84	155.13	155.13	155.13	155.15	155.15	155.15
Streetlights	1,041	1,041	1,076	1,081	1,086	1,090	1,130	1,138	1,141	1,141
WATER AND SEWER										
Water mains (miles)	111.51	111.51	111.75	111.83	111.78	112.05	112.35	112.35	112.35	112.35
Fire hydrants	1,449	1,449	1,452	1,459	1,464	1,469	1,474	1,475	1,475	1,477
Sanitary sewers (miles)	93.94	93.94	93.86	93.96	93.96	93.76	93.76	93.80	93.80	93.80
Manholes	2,347	2,347	2,347	2,351	2,351	2,342	2,343	2,346	2,346	2,348

Data Source

Village records