

# VILLAGE OF HANOVER PARK, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015

**VILLAGE OF HANOVER PARK, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2015

Prepared by Department of Finance

Remy Navarrete  
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**

December 31, 2015

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Rodney S. Craig, President

William Cannon

Jon Kunkel

James Kemper

Rick Roberts

Herb Porter

Elizabeth Trousdale

Eira Corral Sepulveda, Clerk

**ADMINISTRATIVE**

Juliana Maller, Manager

**FINANCE DEPARTMENT**

Remy Navarrete  
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 Eight Months Ended

**December 31, 2014**

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  
JON KUNKEL  
HERB PORTER  
RICK ROBERTS  
EDWARD J. ZIMEL, JR.

**VILLAGE MANAGER**  
JULIANA A. MALLER

June 17, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ending December 31, 2015 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally accepted auditing standards (GAAS), include all of the accounts and funds of the Village, and be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending December 31, 2015.

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

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion on the Village's financial statements for the year ending December 31, 2015. The independent auditor's report is located in the beginning of the financial section of this report. The

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

### **Profile of the Village of Hanover Park**

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

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

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot. In December 2011, the Village purchased the Hanover Square Shopping Center along Barrington Road. A management company specializing in shopping centers was hired by the Village to run operations on behalf of the Village. Monthly meetings between the management company and the Village are held to report financial statements as well as receive updates on the center. In September 2015, the Village entered into a joint venture with a developer to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established corporation, Hanover Square, LLC, and acquired a 90% ownership interest in the corporation. On January 1, 2013, the Village entered into a 39 year lease for the Metropolitan Water Reclamation District (MWRD) land also located along Barrington Road. The lease was entered in an effort to provide youth programming and visual improvements for the site.

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

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

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

There were 196 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2015 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters, and Public Works employees.

### **Local Economy**

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

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

In 2014 the opening and remodeling of Harbor Freight took place. 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. Extensive changes in visual improvements to the site were completed, creating a more positive look. Both the visual look and increase in Sales Tax revenue have been seen beginning with Fiscal Year 2014B and continued in FY2015.

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

Since this is the first full calendar year since the Village transition from a Fiscal Year to Calendar Year in May 2014, the comparison of revenues from prior year will be irrelevant due to FY2014B represent an eight month period. Therefore the Village will make a comparison of the following key revenues based on the estimated budget projection adopted in FY2015.

- **Property Taxes** – the Village collected 99% or the equivalent of \$11,527,518 of the budgeted General Fund property taxes, a difference of \$119,624 from FY2015 adopted budget.
- **Telecommunication Tax** – continue to decrease due to consumers changing their data plans for cell phone service which are not taxable. The Village has collected 94% or \$754,969 of the budgeted amount, a difference of \$46,721 from budgeted amount.
- **Electric Tax** – the Village has collected 145% or \$1,017,092 of the budgeted amount, an excess of \$317,092 from the adopted budget. The increase was due to the changes on imposed electric utility tax that was approved by the Village in midyear 2014. Also, taxes are generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Natural Gas Tax** – the Village has collected 88% or \$215,496 of the budgeted amount, a decrease of \$30,134 from the adopted budget. This account is slightly under the projected budgeted amount which is similar to the taxes in electricity. Receipts are directly related to fluctuations in temperatures and population.
- **Basic Sales Tax** – this revenue is based on the dollar amount of purchased tangible merchandise within the Village. The Village has collected 106% or \$5,641,105 of the budgeted amount. An excess of \$326,105 of the adopted budget in FY 2015.
- **Municipal Automobile Renting Tax** – this revenue is based on the dollar amount of taxes on the rental price of automobiles rented under lease terms of one year or less. The Village has collected \$15,456 for FY 2015. The Village did not adopt a budget for FY 2015 for this revenue.
- **Home Rule Sales Tax** – this tax is not assessed on food, prescription medication, and registered/titled property purchases (i.e. vehicle). It is often less than the local share of the basic sales tax. The Village has collected 109% or \$3,689,384 of the budgeted amount. The Village exceeded the budgeted amount by \$314,384 for FY 2015.
- **Hotel and Motel Tax** - this revenue is based on the dollar amount of taxes upon the use and privilege of renting, leasing or letting of rooms in the hotel or motel at a rate of 3% of the gross receipts. The Village has collected 98% or \$45,939 of the budgeted amount. Slightly below the budgeted amount by \$1,061 for FY 2015.

- **Use Tax** – based on purchases made outside one’s state of residence on taxable items that will be used, stored and consumed in one’s state of residence and on which no tax was collected in the state of purchase. The Village has collected 127% or \$844,592 of the budgeted amount. The Village exceeded the budgeted amount by \$177,592 for FY 2015.
- **Food and Beverage Tax** – is an imposed tax of 3% upon the purchase of alcoholic liquor, food and beverage at any retail food facility within the Village. The Village has collected 99% or \$1,134,073 of the budgeted amount which is slightly below the budgeted amount of \$1,140,000 for FY2015.
- **State Income Tax** – the Village receives a portion of State Income Tax receipts on a per-capita basis (population). The Village has collected 111% or \$4,040,449 of the budgeted amount. The Village exceeded the budgeted amount by \$390,449 for FY 2015.

The Village’s equalized assessed valuation decreased by \$7.45 million, or 1.40%, from \$533.3 million in the 2014 levy year to \$525.8 million in the 2015 levy year. This decrease is primarily due to property reassessments and an overall continuing decline in the value of properties within the Village. The rate of decline in assessed value has slowed down due to stabilizing property values and the beginning of a recovery in the local real estate market.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>Percent Increase (Decrease)</u>
2006	\$687,946,444	\$31,461,240	4.79%
2007	\$746,188,021	\$58,241,577	8.47%
2008	\$789,204,793	\$43,016,774	5.76%
2009	\$810,756,275	\$21,551,482	2.73%
2010	\$743,653,328	(\$67,102,947)	(8.28%)
2011	\$695,936,302	(\$47,717,036)	(6.42%)
2012	\$626,685,617	(\$69,250,685)	(9.95%)
2013	\$542,401,799	(\$84,283,818)	(13.45%)
2014	\$533,303,999	(\$9,097,800)	(1.68%)
2015	\$525,854,318	(\$7,449,681)	(1.40%)

**Long-Term Financial Planning and Relevant Financial Policies**

The unrestricted, unassigned fund balance of the General Fund continues to exceed 25.0% of the subsequent year’s budgeted expenditures which is the policy established by the Village Board to provide financing for unanticipated expenditures and accommodate shortfalls in revenues. The unrestricted fund balance has increased \$2,145,855, primarily due to revenues coming in \$1.39 million higher than the projected budget combined with a decrease in expenditures due to Village management been diligently monitoring expenses to ensure that the Village remains stable, while still providing core services in the most responsible way possible.

<u>Fiscal Year Ended</u>	<u>Unreserved Fund Balance</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Percent</u>
30-Apr-07	\$9,045,003	\$23,638,981	38.26%
30-Apr-08	\$7,849,607	\$24,336,641	32.25%
30-Apr-09	\$7,920,285	\$24,275,288	32.63%
30-Apr-10	\$7,492,166	\$23,554,950	31.80%
30-Apr-11	\$7,831,351	\$25,498,295	30.71%
30-Apr-12	\$7,773,523	\$27,776,277	27.99%
30-Apr-13	\$8,473,882	\$29,754,222	28.45%
30-Apr-14	\$11,611,884	\$29,754,222	39.03%*
31-Dec-14B	\$14,180,226	\$31,687,433	44.75%
31-Dec-15	\$16,326,081	\$32,199,242	50.70%

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

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

The Village prepares a five-year Capital Improvement Program (CIP) that is incorporated into the annual budget each year. The CIP is a multi-year planning instrument used to identify needed capital projects for improvements to Village buildings, equipment and infrastructure and capital equipment purchases, and to coordinate the financing and timing of these improvements. For the Fiscal Year 2015 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 2015. The Village, with its budgeted full-time staffing of 196, serves its citizens with 5.1 full-time employees per 1,000 in population. Implementation of the Village's Strategic Plan during the fiscal year 2015 reflects the Village's continued commitment to its citizens that the Village is a desirable place to live, work, and transact business and includes:

- On January 1, 2013, the Village entered into a 39 year lease for the MWRD land located on the Hanover Park Water Reclamation District Plant off of Barrington Road for public and recreational use. This lease was entered into in an effort to ensure that affordable youth programming will continue to be provided, as well as allow for visual improvements to the site. During Fiscal Year 2014B the Village worked with the local baseball and football teams to establish user agreements and to make improvements to the site. The Board determined that they would like to use revenue from video gaming to fund site improvements. Staff also began discussions with a potential new user for the vacant rear portion of the property. Village continue to use video gaming fees and taxes for maintenance and improvement of this facility.
  
- As part of the goal to improve the Village's appearance, the Village purchased the Hanover Square Shopping Center in Fiscal Year 2012. Since then, major improvements have taken place including the purchase and demolition of the vacant 'old Shires' building at 6794 Barrington, demolition of the 'old hot dog stand' at 6784 Barrington Road, and construction of a new monument sign to promote the center and tenants. In Fiscal Year 2014B, a large buildout was performed for the over 10,000 square foot Education and Work Center (Harper College, Elgin Community College & WorkNet). Additionally, over 2,300 square feet of roofing was replaced at the center. Following issuance of an RFP, the Village entered into negotiations with a developer for sale and redevelopment of the center. The developer's proposal includes installation of a new façade, buildout of over 24,000 square feet for a new tenant, new parking lot, lighting, and landscaping, and buildout of additional tenant spaces. Following approval of an RDA and operating agreement for a public-private partnership with the developer, construction began in Fiscal Year 2015. Hanover Square LLC entered into a construction contract, as part of which the façade of the entire shopping center has been renovated. Additionally, the parking lot has been repaved, a 25,000 square feet space has been built out for a new tenant - Gymkhana, lighting and landscape improvements are in process, and several building maintenance issues have been addressed. In September 2015, the Village entered into a joint venture with a developer to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established corporation, Hanover Square, LLC, and acquired a 90% ownership interest in the corporation.

## 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 December 31, 2014. This was the 25<sup>th</sup> consecutive fiscal year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the Village must publish an easily-readable and efficiently-organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Juliana Maller', written in a cursive style.

Juliana Maller  
Village Manager

## **FINANCIAL SECTION**

This section includes:

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

**INDEPENDENT AUDITOR'S REPORT**



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

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended December 31, 2015, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2015, 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.

## **Change in Accounting Principle**

As discussed in Note 15, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Matters*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "Sipich CP".

Naperville, Illinois  
June 17, 2016

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

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**December 31, 2015**

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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 and deferred outflows of the Village exceeded its liabilities and deferred inflows at December 31, 2015 by \$75,329,047 (net position). The unrestricted net position has a negative balance of \$5,617,013 due to the Implementation of GASB Statement No. 68. This requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual cost of pension benefits.
- The Village's Net Position as of January 1<sup>st</sup> was RESTATED due to GASB Statement No. 68 implementation, total adjustment of \$37,646,585 called "Change in accounting principle" with the new net position January 1<sup>st</sup> of \$70,998,473, compared to \$108,645,058 Net Position, before the restatement.
- The Village's total net position increased by \$4,330,574 during the period.
- The governmental activities net position increased by \$7,711,315 to \$43,142,984. The governmental activities unrestricted net position decreased by \$31,443,698 to negative \$14,151,561.
- The business-type activities net position decreased by \$3,380,741 to \$32,186,063, primarily due to the closing of the Hanover Square Fund.
- The Village's combined governmental funds ending fund balance increased by \$4,475,049 to \$23,936,794 as of December 31, 2015.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$16,326,081 or 50.70% of General Fund Fiscal Year 2016 annualized budgeted expenditures and other financing uses totaling \$32,199,242.
- The Village's total long-term debt, including pension obligation (GASB 68) and compensated absences liability, increased by \$43,696,872 to \$67,061,167 compared to FY2014B report.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## **Government-Wide Financial Statements**

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

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

The Statement of Activities presents information showing how the Village's net position changed during the most recent period and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services, including police, fire, public works, highways and streets, community development, and general government. Property taxes, shared state sales taxes, local utility taxes, shared state income taxes, home rule sales taxes, and food and beverage taxes finance the majority of these activities. The business-type activities reflect private sector-type operations (Water and Sewer Fund, the Municipal Railroad Parking Lot Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation. The business-type activities also reflect a public shopping center (Hanover Square Shopping Center Fund) in which rental income covers all or most of the cost of operation. The government-wide financial statements can be found on pages 4-7 of the report.

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

The Village maintains 15 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Motor Fuel Tax, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Village adopts an annual budget for each governmental fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8-11 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 (transition to Hanover Square LLC in September 2015) 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 and information technology program. Internal Service Funds predominantly serve governmental rather than business-type functions and are included with governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Fund and the Hanover Square Shopping Center Fund are considered major funds of the Village and are presented in separate columns in the Fund Financial Statements. The Municipal Railroad Parking Lot Fund is the Village's non-major enterprise fund. The Internal Service Fund is shown as a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the Municipal Railroad Parking Lot and Hanover Square Funds and the Internal Service Fund is presented elsewhere in the report. The basic proprietary fund financial statements can be found on pages 12-15 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 16-17 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 18-72 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 \$75,329,047 as of December 31, 2015. The largest portion of the Village's net position reflects its investment in capital assets (\$74,013,888 or 98.3%), including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that are still outstanding and the implementation of GASB No. 68 to record the net pension liability (line item adjustment "Change in accounting principle"). 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 \$6,932,172 or 9.2% represents resources that are subject to external restrictions on how they may be used. The negative balance of unrestricted net position \$5,617,013 or 7.5% are due to implementation of GASB No. 68 recording of net pension obligation (such as Police, Fire and IMRF pension).

The net position of governmental activities totaled \$43,142,984, an increase of 21.8% from Fiscal Year 2014B after the "change in Accounting Principle Adjustment" (net pension Restated from \$71,590,683 to \$35,431,669).

The net position of business-type activities totaled \$32,186,063, a decrease of 9.5% from Fiscal Year 2014B after the "change in Accounting Principle Adjustment" (net pension Restated from \$37,054,375 to \$35,566,804). The decrease is primarily due to closing of the Hanover Square Fund and transition to Hanover Square LLC effective September 2015.

The unrestricted net position of \$8,534,548 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its commuter parking programs. For more detailed information see the Statement of Net Position on pages 4-5.

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The following table reflects the condensed Statement of Net Positions:

<b><u>Village of Hanover Park</u></b>						
<b><u>Statement of Net Position as of December 31, 2015</u></b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014B	2015	2014B	2015	2014B
<b>Assets</b>						
Current and Other Assets	\$ 50,196,435	\$ 41,691,290	\$ 11,617,403	\$ 10,411,817	\$ 61,813,838	\$ 52,103,107
Capital Assets	69,016,537	69,063,393	24,381,980	29,156,479	93,398,517	98,219,872
<b>Total Assets</b>	<b>119,212,972</b>	<b>110,754,683</b>	<b>35,999,383</b>	<b>39,568,296</b>	<b>155,212,355</b>	<b>150,322,979</b>
<b>Deferred Outflows</b>						
Pension Obligation	6,457,311	-	983,008	-	7,440,319	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>125,670,283</b>	<b>110,754,683</b>	<b>36,982,391</b>	<b>39,568,296</b>	<b>162,652,674</b>	<b>150,322,979</b>
<b>Liabilities</b>						
Current Liabilities	4,076,131	3,451,167	1,283,280	1,235,452	5,359,411	4,686,619
Long-Term Liabilities	63,548,119	22,085,823	3,513,048	1,278,469	67,061,167	23,364,292
<b>Total Liabilities</b>	<b>67,624,250</b>	<b>25,536,990</b>	<b>4,796,328</b>	<b>2,513,921</b>	<b>72,420,578</b>	<b>28,050,911</b>
<b>Deferred Inflows</b>						
Unavailable Property Taxes	13,733,100	13,627,010	-	-	13,733,100	13,627,010
Unavailable Pension items	1,169,949	-	-	-	1,169,949	-
<b>Total Liabilities and Deferred Inflows</b>	<b>82,527,299</b>	<b>39,164,000</b>	<b>4,796,328</b>	<b>2,513,921</b>	<b>87,323,627</b>	<b>41,677,921</b>
<b>Net Position</b>						
Net Investment in						
Capital Assets	50,362,373	49,462,602	23,651,515	28,088,831	74,013,888	77,551,433
Restricted	6,932,172	4,835,944	-	-	6,932,172	4,835,944
Unrestricted	(14,151,561)	17,292,137	8,534,548	8,965,544	(5,617,013)	26,257,681
<b>Total Net Position</b>	<b>\$ 43,142,984</b>	<b>\$ 71,590,683</b>	<b>\$ 32,186,063</b>	<b>\$ 37,054,375</b>	<b>\$ 75,329,047</b>	<b>\$ 108,645,058</b>

**Changes in Net Position**

**Governmental Activities**

Governmental activities net position decreased by \$28,447,699 from \$71,590,683 in Fiscal Year 2014B to \$43,142,984 in Fiscal Year 2015. Key elements contributing to this net change are as follows:

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***Change in Accounting Principle***

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability and write off the net pension asset. Itemize items can be found on page 72 of the Notes to Financial Statements.

The Village's combined net position increased by \$4,330,574 as a result of the governmental activities increasing \$7,711,315 and business-type activities decreasing \$3,380,741.

<b>Village of Hanover Park</b>						
<b>Changes in Net Position for the Eight Month Ended December 31, 2015</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2014B</b>	<b>2015</b>	<b>2014B</b>	<b>2015</b>	<b>2014B</b>
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 3,376,574	\$ 2,292,166	\$ 11,782,430	\$ 7,916,437	\$ 15,159,004	\$ 10,208,603
Operating Grants	1,600,902	1,082,681	-	-	1,600,902	1,082,681
Capital Grants	258,796	274,286	-	-	258,796	274,286
General Revenues						
Property Taxes	15,426,633	11,423,311	-	-	15,426,633	11,423,311
Other Taxes	13,968,945	9,255,141	-	-	13,968,945	9,255,141
Intergovernmental	4,040,449	2,335,241	-	-	4,040,449	2,335,241
Other Revenue	(1,510,267)	273,629	1,546,620	597,154	36,353	870,783
<b>Total Revenues</b>	<b>37,162,032</b>	<b>26,936,455</b>	<b>13,329,050</b>	<b>8,513,591</b>	<b>50,491,082</b>	<b>35,450,046</b>
Expenses						
General Government	4,114,698	2,111,972	-	-	4,114,698	2,111,972
Public Works	3,706,168	2,876,529	-	-	3,706,168	2,876,529
Public Safety	19,447,414	12,928,235	-	-	19,447,414	12,928,235
Community Development	4,022,556	1,858,421	-	-	4,022,556	1,858,421
Highways and Streets	1,917,673	2,276,624	-	-	1,917,673	2,276,624
Interest	646,489	976,489	-	-	646,489	976,489
Water and Sewer	-	-	11,338,126	7,265,389	11,338,126	7,265,389
Commuter Parking Lot	-	-	373,475	202,907	373,475	202,907
Hanover Square	-	-	593,909	524,861	593,909	524,861
<b>Total Expenses</b>	<b>33,854,998</b>	<b>23,028,270</b>	<b>12,305,510</b>	<b>7,993,157</b>	<b>46,160,508</b>	<b>31,021,427</b>
Change in Net Position before Transfers	3,307,034	3,908,185	1,023,540	520,434	4,330,574	4,428,619
Net Transfers	4,404,281	(1,010,515)	(4,404,281)	1,010,515	-	-
Change in Net Position	7,711,315	2,897,670	(3,380,741)	1,530,949	4,330,574	4,428,619
Net Position, January 1	71,590,683	68,693,013	37,054,375	35,523,426	108,645,058	104,216,439
Change in Accounting Principle	(36,159,014)	-	(1,487,571)	-	(37,646,585)	-
Net Position, January 1 RESTATED	35,431,669	-	35,566,804	-	70,998,473	-
<b>Net Position, December 31</b>	<b>\$ 43,142,984</b>	<b>\$ 71,590,683</b>	<b>\$ 32,186,063</b>	<b>\$ 37,054,375</b>	<b>\$ 75,329,047</b>	<b>\$ 108,645,058</b>

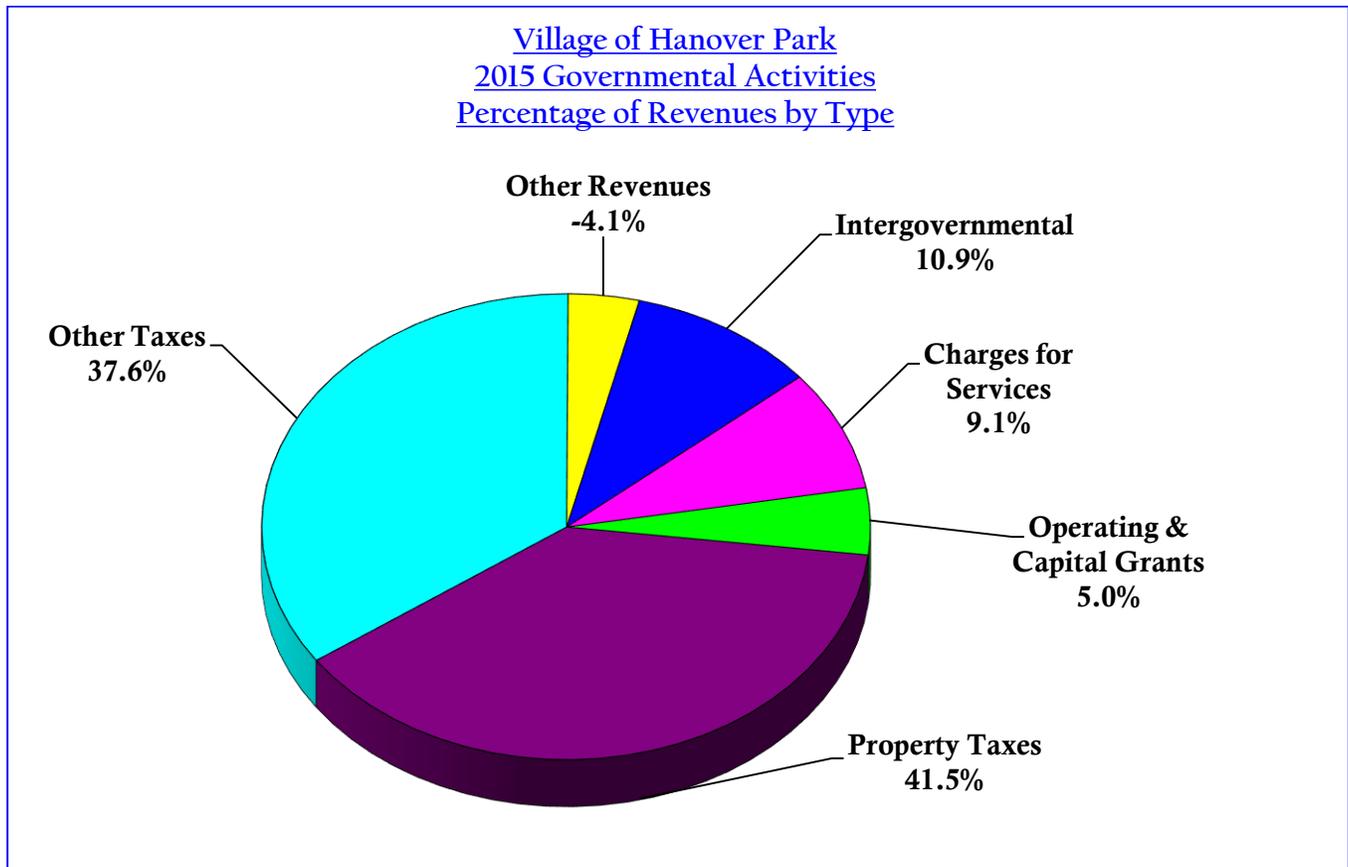
**Village of Hanover Park, Illinois  
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***Revenues***

Governmental revenues and transfers (in) exceeded expenses by \$7,711,315. Property taxes continue to be the Village's largest revenue source totaling \$15,426,633 and representing 41.5% of total governmental activity revenue. Other Taxes, including replacement tax, sales tax, utility tax, food and beverage tax, hotel tax, and real estate transfer tax total \$13,968,945 or 37.6% of the total governmental activities revenues. Intergovernmental revenues, like State Income Tax total \$4,040,449, represent 10.9%.

Although year to year comparisons cannot be made due to the variability of the receipt of various revenues during a calendar year, generally revenues have increased due to the following factors. Property tax levy was increased by 3.0%. Revenue received cannot be compared to revenues collected in FY2014B which represent 8 months period of when the Village transition from Fiscal Year to Calendar Year effective May 1, 2014. Also, water and sewer rates were increased by 3.0% which resulted in additional revenue for that fund. And, the overall local and state economy continues to improve which resulted in an increase in intergovernmental revenue such as the income tax and real estate transfer tax revenue.



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

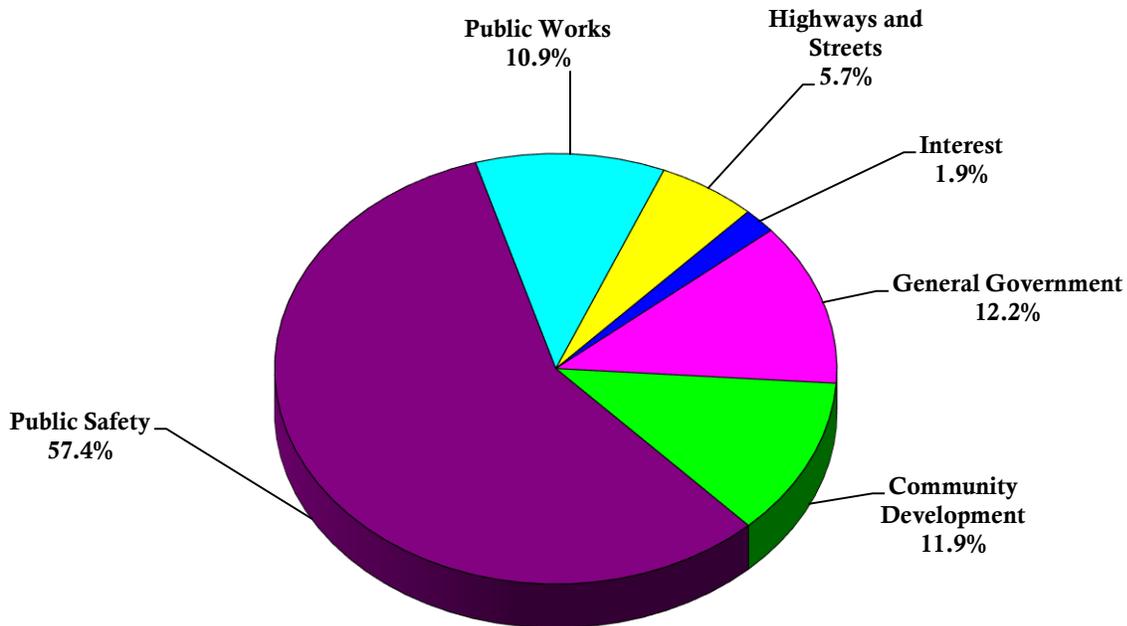
	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2014B*	2015		
Sales and Use Tax	\$ 6,792,806	\$ 10,175,081	\$ 3,382,275	49.8%
State Income Tax	2,335,241	4,040,449	1,705,208	73.0%
Utility Taxes	1,219,600	1,987,557	767,957	63.0%
Real Estate Transfer Tax	333,249	368,563	35,314	10.6%

\*Switched from fiscal to calendar year effective May 1, 2014 - Eight (8) months period.

**Expenses**

For the year ended December 31, 2015, expenses for governmental activities were \$33,854,998 at December 31, 2015 and \$23,028,270 at December 31, 2014, an increase of \$10,826,728 or 47.0%. This increase is due to the Village switching from fiscal year to calendar year effective May 1, 2014 and the increased pension costs as a result of GASB 68 implementation. Comparison from twelve (12) months period FY2015 to the prior year FY2014B of eight (8) months period is difficult. Village management closely monitoring expenditures making sure we are within budget.

**Village of Hanover Park**  
**2015 Governmental Activities**  
**Percentage of Expenses by Function**



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

	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2014B*	2015		
General Government	\$ 2,111,972	\$ 4,114,698	\$ 2,002,726	94.8%
Community Development	\$ 1,858,421	\$ 4,022,556	2,164,135	116.5%
Public Safety	\$ 12,928,235	\$ 19,447,414	6,519,179	50.4%
Public Works	\$ 2,876,529	\$ 3,706,168	829,639	28.8%
Highways & Streets	2,276,624	1,917,673	(358,951)	-15.8%
Interest	976,489	646,489	(330,000)	-33.8%
<b>Total Expenditures</b>	<b>23,028,270</b>	<b>33,854,998</b>	<b>10,826,728</b>	<b>47.0%</b>

\* Village switch from Fiscal Year to Calendar Year effective May 1, 2014 - consist of eight (8) months period.

**Business-Type Activities**

Business-type activities net position decreased by \$4,868,312 from \$37,054,375 in Fiscal Year 2014B to \$32,186,063 in Fiscal Year 2015. Key elements contributing to this net change are as follows:

***Change in Accounting Principle***

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the IMRF net pension liability. Itemize items can be found on page 72 of the Notes to Financial Statements.

***Revenues***

Operating revenues for water sales collected in FY2015 were \$7,467,200 compared to FY2014B of \$4,978,209. Sewer Service revenues were \$2,716,760 compared to \$1,819,556 for FY2014B. 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. For FY2015 revenue from this source were \$300,765 compared to FY2014B of \$188,373. Revenue received cannot be compared to revenues collected in FY2014B which represent 8 months period of when the Village transition from Fiscal Year to Calendar Year effective May 1, 2014.

Operating revenues for the Municipal Railroad Parking Lot Fund collected in FY2015 were \$389,405 compared to FY2014B of \$265,895 which represents eight (8) months period. Generally, the fund continues to show signs of increased commuter utilization of the train as a primary mode of transportation.

Hanover Square closed the fund in September 2015 and transferred the ownership interest to the governmental activities. More information can be found on page 42 of the Notes to Financial Statements – Joint Ventures.

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**Village of Hanover Park  
Business-Type Activities Operating Revenues & Expenses**

	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Net Income/(Loss)</b>	<b>% of Revenues</b>
Waterworks & Sewerage	\$ 10,749,484	\$ 11,318,012	\$ (568,528)	-5.3%
Municipal Railroad Parking Lot	389,405	373,475	15,930	4.1%
Hanover Square	643,541	593,909	49,632	7.7%
<b>Total Business-Type Activities</b>	<b>\$ 11,782,430</b>	<b>\$ 12,285,396</b>	<b>(502,966)</b>	<b>-4.3%</b>

***Expenses***

Operating expenses from all business-type activities totaled \$12,285,396. Overall expenses exceeded revenue during the period by \$502,966 primarily due to the Water and Sewer Fund.

Operating revenues exceeded operating expenses in the Commuter Lot by \$15,930. This was due to increasing METRA usage of the Village lot and the staff closely monitoring the expenditures making sure project are being done based on the budget appropriated.

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

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

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

**Governmental Funds**

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

As of the end of the current fiscal period, the governmental funds reflect a combined fund balance of \$23,936,794, an increase of \$4,475,049 from the prior fiscal year which represent eight (8) month period due to fiscal to calendar year transition. Of the total fund balance, \$15,864,602 is unassigned

**Village of Hanover Park, Illinois  
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indicating availability for continuing Village services. \$294,419 of the total governmental fund balance is considered to be non-spendable for prepaid expense, inventories and advances. \$7,777,773 remaining of fund balance are restricted and assigned to specific project or program.

**General Fund**  
**Comparison of the Results of Operations and the**  
**Unreserved/Unrestricted Fund Balance Fiscal Years 2014-2015**

	<b><u>2014</u></b>	<b><u>2014B</u></b>	<b><u>2015*</u></b>
Revenues and Transfers	\$30,627,230	\$22,687,944	\$33,126,657
Expenditures and Transfers	27,935,787	20,812,684	31,242,849
Results of Operations	2,691,443	1,875,260	1,883,808
Fund Balance - Beginning	10,169,989	\$12,861,432	\$14,736,692
Fund Balance - Ending	\$12,861,432	\$14,736,692	\$16,620,500
Reserved/Nonspendable and Restricted	\$1,249,548	556,466	294,419
Unrestricted/Unassigned	11,611,884	14,180,226	16,326,081
Total Fund Balance	\$12,861,432	\$14,736,692	\$16,620,500
Unreserved Fund Balance as a			
Percentage of Budgeted Expenditures*	39.03%	44.75%	50.70%

\*2015 Unreserved Fund Balance % of budget expenditures for FY2016

***General Fund:*** The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the General Fund increased \$1,883,808 to \$16,620,500, of which \$16,326,081 is the unrestricted amount. The increase is due primarily to higher than expected sales-related taxes offset by lower than expected expenditures, due to the Village management's approach to closely supervising expenses in response to projected decrease in several revenue sources and the uncertainty of State of Illinois budget crisis. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is available for use as determined by the Village Board. Above is a chart showing a history of the General Fund unrestricted/unassigned fund balance.

***Motor Fuel Tax Fund:*** reported a fund balance increase of \$285,075 due to the Village management closely supervising expenses by delaying capital project for the next fiscal year due to State of Illinois absence of a FY2016 state budget.

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

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**December 31, 2015**

Special Service Area (SSA) #5 that covers the Greenbrook Tanglewood subdivision experienced an increase in fund balance of \$99,142. Significant capital improvements are being completed in this special service such as paving and drainage project that will continue next year.

**Proprietary Funds**

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer, and Hanover Square Fund as major proprietary fund. The Village reports one non-major proprietary fund, the municipal railroad parking lot fund. Also, the Water and Sewer Fund accounts for all of the operations of the municipal water and sewerage system. The Village sells water to all residential municipal customer of Hanover Park (Cook and DuPage counties) at a rate of \$9.35 per 1,000 gallons and a sewer rate of \$2.07 per 1,000 gallons for cook county residents and a \$5.57 per 1,000 gallons for DuPage county residents. The rates are intended to finance the operations of the water and sewer system, including labor cost, supplies, repair and replacement and required infrastructure maintenance.

<b>Village of Hanover Park</b>				
<b>Waterworks and Sewerage Fund Revenues</b>				
	Fiscal Year		Increase (Decrease)	% Increase Decrease
	2014B*	2015		
Water Sales	\$ 4,978,209	\$ 7,467,200	\$ 2,488,991	50.0%
Sewer Sales	1,819,556	2,716,760	897,204	49.3%
Leachate Treatment	202,437	300,765	98,328	48.6%
Interest	10,957	-	(10,957)	-100.0%
Other Revenues	645,339	1,791,226	1,145,887	177.6%
<b>Total</b>	<b>\$ 7,656,498</b>	<b>\$ 12,275,951</b>	<b>\$ 4,619,453</b>	<b>60.3%</b>

\*2014B represent 8 (eight) months period. Village transition to Calendar Year as of May 1, 2014.

Hanover Square Shopping Center Fund was created during Fiscal Year 2012 with the purchase of the Shopping Center. In September 2015, the Village entered into a joint venture with a developer to renovate and operate the Hanover Square Shopping Center. The Village closed the Hanover Square enterprise fund and transferred the ownership interest to the governmental activities. More detail can be found on page 42 of Notes to Financial Statement Joint Ventures section.

The Municipal Railroad Parking Lot Fund actual revenues exceeded actual expenditures in Fiscal Year 2015. Total operating revenues were \$389,405 versus \$373,475 in operating expenditures. The overall net position in this fund on December 31, 2015 increased \$15,863 from the prior year.

### **Internal Service Funds**

The net position of this fund increased because of the increase in funding levels from the General Fund. The Water and Sewer Fund is offset by an increase in capital outlay from the prior year. The Operating revenues exceeded the expenses by \$596,699 for Central Equipment Fund. In FY2015 the Village created the IT Equipment replacement fund with a net fund balance of \$300,000, a transfer from General Fund. The General Fund and Water & Sewer continues to fund the Central Equipment Fund. Inter-fund transfers of \$1,212,299 were made into the fund throughout the year and \$615,600 was spent on equipment purchases. After GAAP basis adjustment, the net position of the fund increased \$1,003,250 from \$7,927,353 to \$8,930,603.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund actual revenues were \$1,389,649 more than the final budgeted amounts. Overall, tax revenues, including property, sales, real estate and utility taxes, exceeded the final budget by a total of \$1,006,225. Property tax revenues were slightly under budget due to the timing of property tax receipts. Municipal and Home Rule Sales Tax revenues were \$640,489 more than the budgeted amount, indication that local economy is improving. As another economic related indicator, Real Estate Transfer Tax revenues were \$83,563 over the budgeted amount. Income Tax revenues were \$390,449 more than the budgeted amount. This likely reflects the payment processing of the State rather than a reflection of the state economy which generally is also improving.

Expenditures within the General Fund were \$465,292 or 1.5% less than the final budgeted amount. Throughout the period, the revenues are examined to see where they are trending at. Revenues were initially trending more than previous year (FY2014B eight months period). The Village continues to be fiscally responsible by constantly monitoring revenues and expenses for all Departments/Divisions within the General Fund. Open positions were left intentionally unfilled for a period of time and contractual services and capital projects were delayed unless absolutely necessary. Towards the end of the period, when revenues began trending higher than the budgeted amount, staff remained fiscally responsible thereby causing a significant increase in the Village's General Fund unrestricted fund balance. The General Fund and Water and Sewage Fund reimbursed the General Capital Projects Fund for budgeted purchases. Expenditures within the General Capital Projects were postponed throughout the period depending on the revenue trends, which reduced costs within the Internal Fund.

**Village of Hanover Park, Illinois**  
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**Village of Hanover Park**  
**General Fund Budgetary Highlights**

	2015	2015	Actual	
	Original Budget	Final Budget	2015	2014B*
Revenues	\$ 31,737,008	\$ 31,737,008	\$ 33,126,657	\$ 22,687,944
Expenditures	30,102,339	30,102,339	29,637,047	19,730,910
Excess of Revenues over Expenditures	\$ 1,634,669	\$ 1,634,669	\$ 3,489,610	\$ 2,957,034
Other Financing Sources (Uses)	(1,542,294)	(1,542,294)	(1,605,802)	(1,081,774)
Net Change in Fund Balance	\$ 92,375	\$ 92,375	\$ 1,883,808	\$ 1,875,260

\* 2014B is an eight month fiscal year

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The investment in capital assets includes land, buildings, equipment as well as improvements other than buildings, underground systems, and infrastructure. The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$93,398,517. This amount represents a net decrease (including additions and deductions) of \$4,821,355 from the prior year.

**Village of Hanover Park**  
**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014B	2015	2014B	2015	2014B
Land	\$ 28,874,251	\$ 28,874,251	\$ 2,254,633	\$ 4,150,013	\$ 31,128,884	\$ 33,024,264
Construction in progress	235,534	173,826	-	399,425	235,534	573,251
Buildings	22,535,554	23,129,859	6,262,201	8,444,813	28,797,755	31,574,672
Improvements other than Buildings	1,830,942	1,977,509	5,367,226	5,648,895	7,198,168	7,626,404
Machinery and Equipment	6,300,496	5,534,307	1,254,607	1,446,447	7,555,103	6,980,754
Infrastructure	9,239,760	9,373,641	9,243,313	9,066,886	18,483,073	18,440,527
Total	\$ 69,016,537	\$ 69,063,393	\$ 24,381,980	\$ 29,156,479	\$ 93,398,517	\$ 98,219,872

**Village of Hanover Park, Illinois**  
**Management's Discussion And Analysis**  
**December 31, 2015**

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.
- The Village closed the Hanover Square enterprise fund assets and transferred the ownership interest to the governmental activities.

The governmental activities net capital assets increased from last year by \$126,970, primarily due to the increase in construction in progress. Business-type activities net capital assets decreased from last year by \$495,218 primarily due to increase in accumulated depreciation reducing the overall impact on net capital assets. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements on pages 31-32.

**Long-Term Debt**

<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>2015</u>	<u>2014B</u>	<u>2015</u>	<u>2014B</u>	<u>2015</u>	<u>2014B</u>
General Obligation Bonds	\$ 18,670,000	\$ 19,615,000	\$ -	\$ -	\$ 18,670,000	\$ 19,615,000
IEPA Loan	-	-	730,465	1,067,648	730,465	1,067,648
<b>Total</b>	<b>\$ 18,670,000</b>	<b>\$ 19,615,000</b>	<b>\$ 730,465</b>	<b>\$ 1,067,648</b>	<b>\$ 19,400,465</b>	<b>\$ 20,682,648</b>

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 \$1,282,183 or 6.2% compared to the prior fiscal year. The key factor in this decrease was due to scheduled principal payments. No additional debt was incurred during Fiscal Year 2015.

The Village, under its home rule authority, does not have a legal debt limit. The Village has a bond rating of AA from Standard & Poor which was last affirmed in October, 2011. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 34-37.

### ECONOMIC FACTORS AND FUTURE PROSPECTS

The Village's composition is primarily residential with a smaller commercial component. The commercial component of the Village includes building material sales, grocery stores, restaurants, and other retail businesses. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. Other tax revenues, including municipal and home-rule sales tax are expected to continue to increase in Fiscal year 2016 due to continued strength in the local economy. State income tax revenue is expected to remain relatively constant although the continuation of this source is subject to the state legislature as it confronts its budget crisis.

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

The soft economy and the uncertainty of the State of Illinois Budget remains the Village's biggest challenge. The Village Board continues to be sensitive to the unknown financial circumstances of residents and businesses by reducing its operating expenditures and limiting the tax increases. Some challenges that were considered during the development of FY2016 budget;

- Instability of the National and local economy – weak financial markets continue to dictate low interest rates on investments. Real estate remained very slow particularly for Cook County with the .15% foreclosure compared to .11% Illinois and .08% National. Housing foreclosures and declining tax bases have negatively impacted the fiscal condition of the local economy.
- Pension liabilities – recent changes in pension legislation allowed the municipalities some relief in funding the pension obligation at 90% by 2040. The Village continues to fund the pension based on actuarial results from the independent actuary the Village and Pensions hired. Additionally, the Village adjusted its actuarial rate for Police and Fire pension return on investment from 7.50% in FY2011 to 7.25% in FY2012 – FY2016.

Total operating revenues budgeted for FY2016 are \$56,821,386 (excluding transfers), a 0.27% increase from the FY2015 budget. The General fund revenues are budgeted at \$32,388,177 (excluding transfers); \$840,631 or 2.66% increase from FY2015 due to a projected slight increase from state income tax and sales taxes. The Village total property tax levy payable in FY2016 is \$13,386,715, a 1.00% (one) increase over the prior year extended tax levy.

Total Village spending for FY2016 budget is \$56,561,190 (excluding transfers), a 1.14% decrease from the FY2015 budget. Different spending categories increase distributed fairly evenly throughout contractual, commodities, and other capital spending with personnel costs being slightly ahead due to pension contributions and contractually obligated pay increases. The decrease is mainly attributable to the closing of Hanover Square enterprise fund in FY2015.

**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 to request additional financial information should be directed and addressed to the Finance Director of The Village of Hanover Park at 2121 Lake Street, Hanover Park, Illinois 60133.

## **BASIC FINANCIAL STATEMENTS**

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2015

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,672,560	\$ 8,802,863	\$ 37,475,423
Receivables (net of allowances for uncollectibles)			
Property taxes	13,733,100	-	13,733,100
Accounts	312,445	2,419,089	2,731,534
Accrued interest	44,273	1,438	45,711
Other	-	390,498	390,498
Prepaid expenses	10,185	3,515	13,700
Inventory	17,353	-	17,353
Due from other governments	5,097,330	-	5,097,330
Investment in joint venture	2,309,189	-	2,309,189
Capital assets			
Nondepreciable	29,109,785	2,254,633	31,364,418
Depreciable, net of accumulated depreciation	39,906,752	22,127,347	62,034,099
<b>Total assets</b>	<b>119,212,972</b>	<b>35,999,383</b>	<b>155,212,355</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF and SLEP	2,016,083	983,008	2,999,091
Pension items - Police Pension	2,873,331	-	2,873,331
Pension items - Firefighters' Pension	1,567,897	-	1,567,897
<b>Total deferred outflows of resources</b>	<b>6,457,311</b>	<b>983,008</b>	<b>7,440,319</b>
<b>Total assets and deferred outflows of resources</b>	<b>125,670,283</b>	<b>36,982,391</b>	<b>162,652,674</b>
<b>LIABILITIES</b>			
Accounts payable	2,343,587	1,124,353	3,467,940
Accrued payroll	348,811	43,825	392,636
Contractors' payable	-	3,788	3,788
Accrued interest	77,326	3,319	80,645
Deposits	-	11,625	11,625
Unearned revenue	201,376	95,370	296,746
Due to other governments	93,650	-	93,650
Other payables	1,011,221	1,000	1,012,221
Due to/from fiduciary funds	160	-	160
Long-term liabilities			
Due within one year	1,052,684	351,137	1,403,821
Due in more than one year	62,495,435	3,161,911	65,657,346
<b>Total liabilities</b>	<b>67,624,250</b>	<b>4,796,328</b>	<b>72,420,578</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	13,733,100	-	13,733,100
Pension Items - Police Pension	1,061,602	-	1,061,602
Pension Items - Firefighters' Pension	108,347	-	108,347
<b>Total deferred inflows of resources</b>	<b>14,903,049</b>	<b>-</b>	<b>14,903,049</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>82,527,299</b>	<b>4,796,328</b>	<b>87,323,627</b>

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2015

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	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 50,362,373	\$ 23,651,515	\$ 74,013,888
Restricted for			
Public safety	304,605	-	304,605
Highways and streets	2,810,532	-	2,810,532
Debt service	172,733	-	172,733
Community development	3,154,532	-	3,154,532
Special service areas	489,770	-	489,770
Unrestricted	<u>(14,151,561)</u>	<u>8,534,548</u>	<u>(5,617,013)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 43,142,984</u>	<u>\$ 32,186,063</u>	<u>\$ 75,329,047</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 4,114,698	\$ 1,125,855	\$ 510,360	\$ -
Community development	4,022,556	18,758	-	-
Public safety	19,447,414	1,894,715	41,042	-
Public works	3,706,168	337,246	85,475	257,221
Highways and streets	1,917,673	-	964,025	1,575
Interest	646,489	-	-	-
Total governmental activities	33,854,998	3,376,574	1,600,902	258,796
Business-Type Activities				
Water and sewer	11,338,126	10,749,484	-	-
Parking	373,475	389,405	-	-
Hanover Square	593,909	643,541	-	-
Total business-type activities	12,305,510	11,782,430	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 46,160,508</b>	<b>\$ 15,159,004</b>	<b>\$ 1,600,902</b>	<b>\$ 258,796</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (2,478,483)	\$ -	\$ (2,478,483)
	(4,003,798)	-	(4,003,798)
	(17,511,657)	-	(17,511,657)
	(3,026,226)	-	(3,026,226)
	(952,073)	-	(952,073)
	(646,489)	-	(646,489)
	<u>(28,618,726)</u>	<u>-</u>	<u>(28,618,726)</u>
	-	(588,642)	(588,642)
	-	15,930	15,930
	-	49,632	49,632
	<u>-</u>	<u>(523,080)</u>	<u>(523,080)</u>
	<u>(28,618,726)</u>	<u>(523,080)</u>	<u>(29,141,806)</u>
General Revenues			
Taxes			
Property	15,426,633	-	15,426,633
Replacement	93,510	-	93,510
Sales and local use	10,175,081	-	10,175,081
Utility	1,987,557	-	1,987,557
Hotel/motel	45,939	-	45,939
Food and beverage	1,134,073	-	1,134,073
Real estate transfer	368,563	-	368,563
Other taxes	164,222	-	164,222
Intergovernmental	4,040,449	-	4,040,449
Investment income	61,070	(202)	60,868
Gain (loss) on sale of capital assets	(1,970,092)	-	(1,970,092)
Miscellaneous	398,755	1,546,822	1,945,577
Transfers in (out)	4,404,281	(4,404,281)	-
Total	<u>36,330,041</u>	<u>(2,857,661)</u>	<u>33,472,380</u>
CHANGE IN NET POSITION	<u>7,711,315</u>	<u>(3,380,741)</u>	<u>4,330,574</u>
NET POSITION, JANUARY 1	71,590,683	37,054,375	108,645,058
Change in accounting principle	(36,159,014)	(1,487,571)	(37,646,585)
NET POSITION, JANUARY 1, RESTATED	<u>35,431,669</u>	<u>35,566,804</u>	<u>70,998,473</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 43,142,984</u>	<u>\$ 32,186,063</u>	<u>\$ 75,329,047</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2015

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>				
Cash and investments	\$ 13,862,281	\$ 1,189,582	\$ 7,561,571	\$ 22,613,434
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	11,603,891	-	2,129,209	13,733,100
Accounts	211,132	1,575	99,738	312,445
Accrued interest	31,336	5,509	-	36,845
Prepaid items	10,185	-	-	10,185
Inventory	17,353	-	-	17,353
Due from other governments	5,011,629	85,701	-	5,097,330
Due from other funds	297,845	-	-	297,845
Advances to other funds	266,881	-	-	266,881
<b>TOTAL ASSETS</b>	<b>\$ 31,312,533</b>	<b>\$ 1,282,367</b>	<b>\$ 9,790,518</b>	<b>\$ 42,385,418</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,413,395	\$ 49,071	\$ 622,138	\$ 2,084,604
Accrued payroll	348,811	-	-	348,811
Unearned revenue	63,876	-	137,500	201,376
Due to other governments	93,650	-	-	93,650
Other payables	757,274	-	253,947	1,011,221
Due to other funds	-	-	297,845	297,845
Due to fiduciary funds	160	-	-	160
Advances from other funds	-	-	266,881	266,881
Total liabilities	2,677,166	49,071	1,578,311	4,304,548
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	11,603,891	-	2,129,209	13,733,100
Unavailable dividends	410,976	-	-	410,976
Total deferred inflows of resources	12,014,867	-	2,129,209	14,144,076
Total liabilities and deferred inflows of resources	14,692,033	49,071	3,707,520	18,448,624
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	17,353	-	-	17,353
Prepaid items	10,185	-	-	10,185
Advances to other funds	266,881	-	-	266,881
Restricted				
Public safety	-	-	304,605	304,605
Highways and streets	-	1,233,296	1,577,236	2,810,532
Debt service	-	-	172,733	172,733
Community development	-	-	3,154,532	3,154,532
Special service areas	-	-	489,770	489,770
Unrestricted				
Assigned				
Capital improvements	-	-	845,601	845,601
Unassigned (deficit)	16,326,081	-	(461,479)	15,864,602
Total fund balances	16,620,500	1,233,296	6,082,998	23,936,794
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 31,312,533</b>	<b>\$ 1,282,367</b>	<b>\$ 9,790,518</b>	<b>\$ 42,385,418</b>

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

December 31, 2015

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 23,936,794</b>
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	69,016,537
Less amount reported in internal service funds below	(3,123,032)
Investment in joint venture in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,309,189
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(18,670,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	15,836
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(77,326)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(1,353,683)
Net pension liability for the is shown as a liability on the statement of net position	
Illinois Municipal Retirement Fund and	
Sheriff's Law Enforcement Personnel Fund	(5,087,428)
Police Pension	(24,484,584)
Firefighters' Pension	(12,446,348)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows of resources on the statement of net position	
Illinois Municipal Retirement Fund and	
Sheriff's Law Enforcement Personnel Fund	2,016,083
Police Pension	1,811,729
Firefighters' Pension	1,459,550
Net other postemployment benefits obligations is not due and payable in the current period and, therefore, are not reported in the governmental funds	(1,521,912)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	410,976
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>8,930,603</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 43,142,984</u></b>

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 December 31, 2015

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental</b>
<b>REVENUES</b>				
Taxes	\$ 25,254,187	\$ -	\$ 4,047,880	\$ 29,302,067
Licenses and permits	1,209,977	-	15,000	1,224,977
Charges for services	1,451,562	-	-	1,451,562
Fines and forfeits	638,500	-	61,967	700,467
Intergovernmental	4,177,474	929,916	843,186	5,950,576
Investment income	54,136	3,694	3,240	61,070
Miscellaneous	340,821	-	101,153	441,974
<b>Total revenues</b>	<b>33,126,657</b>	<b>933,610</b>	<b>5,072,426</b>	<b>39,132,693</b>
<b>EXPENDITURES</b>				
Current				
General government	3,344,230	-	-	3,344,230
Community development	3,007,973	-	995,755	4,003,728
Public safety	19,322,453	-	-	19,322,453
Public works	3,962,391	-	-	3,962,391
Highways and streets	-	559,087	69,717	628,804
Capital outlay	-	89,448	1,229,028	1,318,476
Debt service				
Principal retirement	-	-	945,000	945,000
Interest	-	-	953,606	953,606
Fiscal charges	-	-	3,956	3,956
<b>Total expenditures</b>	<b>29,637,047</b>	<b>648,535</b>	<b>4,197,062</b>	<b>34,482,644</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,489,610</b>	<b>285,075</b>	<b>875,364</b>	<b>4,650,049</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,430,802	1,430,802
Transfers (out)	(1,605,802)	-	-	(1,605,802)
<b>Total other financing sources (uses)</b>	<b>(1,605,802)</b>	<b>-</b>	<b>1,430,802</b>	<b>(175,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,883,808</b>	<b>285,075</b>	<b>2,306,166</b>	<b>4,475,049</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>14,736,692</b>	<b>948,221</b>	<b>3,776,832</b>	<b>19,461,745</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 16,620,500</b>	<b>\$ 1,233,296</b>	<b>\$ 6,082,998</b>	<b>\$ 23,936,794</b>

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

For the Year Ended December 31, 2015

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 4,475,049</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,768,637
The gain/loss on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense	(2,143,918)
Transfer of capital assets from enterprise fund to governmental activities is not reported as a revenue in the governmental funds	4,279,281
Certain revenues are deferred in governmental funds but not in governmental activities	56,043
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	945,000
The decrease in accrued interest payable is shown as a reduction to expense on the statement of activities	308,877
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	(2,256,698)
Amortization	1,627
Less amount reported in internal service funds below	537,699
The increase in the compensated absences liability is an expense on the statement of activities	(382,338)
The change in net other postemployment benefits obligations are reported only in the statement of activities	(124,237)
The change in the net pension liability is reported only in the statement of activities	
Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel Fund	(2,173,044)
Police Pension	(2,128,192)
Firefighters' Pension	(1,743,083)
The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel Fund	2,016,083
Police Pension	1,811,729
Firefighters' Pension	1,459,550
The change in net position of certain activities of internal service funds is in governmental funds	1,003,250
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,711,315</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2015

	Business-Type Activities			Total	Governmental
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise		Internal Service
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 8,332,881	\$ -	\$ 469,982	\$ 8,802,863	\$ 6,059,126
Receivables					
Accounts	2,419,040	-	49	2,419,089	-
Accrued interest	1,438	-	-	1,438	7,428
Other	372,065	-	18,433	390,498	-
Prepaid expenses	3,515	-	-	3,515	-
Total current assets	11,128,939	-	488,464	11,617,403	6,066,554
<b>NONCURRENT ASSETS</b>					
Capital assets					
Nondepreciable	937,116	-	1,317,517	2,254,633	-
Depreciable, net of accumulated depreciation	21,240,514	-	886,833	22,127,347	3,123,032
Total noncurrent assets	22,177,630	-	2,204,350	24,381,980	3,123,032
Total assets	33,306,569	-	2,692,814	35,999,383	9,189,586
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension items - IMRF	931,375	-	51,633	983,008	-
Total deferred outflows of resources	931,375	-	51,633	983,008	-
Total assets and deferred outflows of resources	34,237,944	-	2,744,447	36,982,391	9,189,586
<b>CURRENT LIABILITIES</b>					
Accounts payable	1,081,210	-	43,143	1,124,353	258,983
Contractors' payable	3,788	-	-	3,788	-
Accrued payroll	41,495	-	2,330	43,825	-
Accrued interest	3,319	-	-	3,319	-
Deposits	11,625	-	-	11,625	-
Unearned revenue	-	-	95,370	95,370	-
Notes payable - EPA	346,541	-	-	346,541	-
Other payables	-	-	1,000	1,000	-
Compensated absences payable	4,596	-	-	4,596	-
Total current liabilities	1,492,574	-	141,843	1,634,417	258,983
<b>LONG-TERM LIABILITIES</b>					
Compensated absences	87,331	-	-	87,331	-
Notes payable - EPA	383,924	-	-	383,924	-
Net pension liability	2,420,524	-	134,188	2,554,712	-
Net other postemployment benefit obligation	135,944	-	-	135,944	-
Total long-term liabilities	3,027,723	-	134,188	3,161,911	-
Total liabilities	4,520,297	-	276,031	4,796,328	258,983
<b>NET POSITION</b>					
Net investment in capital assets	21,447,165	-	2,204,350	23,651,515	3,123,032
Unrestricted	8,270,482	-	264,066	8,534,548	5,807,571
<b>TOTAL NET POSITION</b>	<b>\$ 29,717,647</b>	<b>\$ -</b>	<b>\$ 2,468,416</b>	<b>\$ 32,186,063</b>	<b>\$ 8,930,603</b>

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 December 31, 2015

	Business-Type Activities			Total	Governmental
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise		Internal Service
<b>OPERATING REVENUES</b>					
Charges for services	\$ 10,749,484	\$ 643,541	\$ 389,405	\$ 11,782,430	\$ 1,212,299
Total operating revenues	10,749,484	643,541	389,405	11,782,430	1,212,299
<b>OPERATING EXPENSES</b>					
Administration	1,678,168	-	-	1,678,168	-
Operations	8,712,364	593,909	329,819	9,636,092	-
Depreciation and amortization	927,480	-	43,656	971,136	537,699
Total operating expenses	11,318,012	593,909	373,475	12,285,396	537,699
OPERATING INCOME (LOSS)	(568,528)	49,632	15,930	(502,966)	674,600
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest expense	(20,114)	-	-	(20,114)	-
Investment income	(241)	106	(67)	(202)	13,751
Infrastructure surcharge	1,546,822	-	-	1,546,822	-
Gain on disposal of capital assets	-	-	-	-	14,899
Total non-operating revenues (expenses)	1,526,467	106	(67)	1,526,506	28,650
NET INCOME BEFORE TRANSFERS	957,939	49,738	15,863	1,023,540	703,250
<b>TRANSFERS</b>					
Transfer in	-	-	-	-	300,000
Transfer (out)	(125,000)	(4,279,281)	-	(4,404,281)	-
Total transfers	(125,000)	(4,279,281)	-	(4,404,281)	300,000
CHANGE IN NET POSITION	832,939	(4,229,543)	15,863	(3,380,741)	1,003,250
NET POSITION, JANUARY 1	30,294,143	4,229,543	2,530,689	37,054,375	7,927,353
Change in accounting principle	(1,409,435)	-	(78,136)	(1,487,571)	-
NET POSITION, JANUARY 1, RESTATED	28,884,708	4,229,543	2,452,553	35,566,804	7,927,353
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 29,717,647</b>	<b>\$ -</b>	<b>\$ 2,468,416</b>	<b>\$ 32,186,063</b>	<b>\$ 8,930,603</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

	Business-Type Activities			Total	Governmental
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise		Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 12,232,409	\$ 648,836	\$ 392,606	\$ 13,273,851	\$ 4,222
Receipts from interfund services	-	-	-	-	1,212,299
Payments to suppliers	(7,333,793)	(875,982)	(118,681)	(8,328,456)	-
Payments to employees	(2,707,315)	-	(167,296)	(2,874,611)	-
Net cash from operating activities	2,191,301	(227,146)	106,629	2,070,784	1,216,521
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund loans	(1,667)	-	-	(1,667)	-
Transfers in	-	-	-	-	300,000
Transfers (out)	(125,000)	-	-	(125,000)	-
Net cash from noncapital financing activities	(126,667)	-	-	(126,667)	300,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(474,131)	(27,721)	-	(501,852)	(706,876)
Proceeds from sale of capital assets	-	-	-	-	14,899
Principal paid on EPA loans	(337,183)	-	-	(337,183)	-
Interest paid on EPA loans	(26,845)	-	-	(26,845)	-
Net cash from capital and related financing activities	(838,159)	(27,721)	-	(865,880)	(691,977)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities	221,495	-	-	221,495	708,426
Interest received	(1,675)	98	(66)	(1,643)	10,396
Net cash from investing activities	219,820	98	(66)	219,852	718,822
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,446,295	(254,769)	106,563	1,298,089	1,543,366
CASH AND CASH EQUIVALENTS, JANUARY 1	6,886,586	254,769	363,420	7,504,775	4,515,760
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 8,332,881</b>	<b>\$ -</b>	<b>\$ 469,983</b>	<b>\$ 8,802,864</b>	<b>\$ 6,059,126</b>

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2015

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Hanover Square	Nonmajor Enterprise	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (568,528)	\$ 49,632	\$ 15,930	\$ (502,966) \$ 674,600
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	927,480	-	43,656	971,136 537,699
Other non-operating revenues	1,546,822	-	-	1,546,822 -
Changes in assets and liabilities				
Receivables	(147,754)	24,801	541	(122,412) 4,222
Prepaid expenses	(3,480)	-	-	(3,480) -
Accounts payable	327,092	(301,579)	38,466	63,979 -
Accrued payroll	9,905	-	366	10,271 -
Contractors deposits	3,000	-	-	3,000 -
Deferred revenue	-	-	3,250	3,250 -
Compensated absences	5,953	-	-	5,953 -
Pension items	79,714	-	4,420	84,134 -
Net other postemployment benefit obligation	11,097	-	-	11,097 -
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 2,191,301</b>	<b>\$ (227,146)</b>	<b>\$ 106,629</b>	<b>\$ 2,070,784 \$ 1,216,521</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2015

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	<b>Pension Trust</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,348,213
Investments	
U.S. Government and agency obligations	17,284,522
Money market mutual funds	262,142
Mutual funds	23,610,893
Illinois Metropolitan Investment Fund	45,308
Receivables	
Accrued interest	80,888
Due from Village	160
Prepaid items	3,406
	<hr/>
Total assets	42,635,532
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	12,172
	<hr/>
Total liabilities	12,172
	<hr/>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 42,623,360</b>
	<hr/> <hr/>

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 December 31, 2015

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**ADDITIONS**

Contributions

Employer contributions	\$ 3,243,581
Employee contributions	<u>804,502</u>

Total contributions	<u>4,048,083</u>
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Investment income

Net appreciation (depreciation) in fair value of investments	(905,646)
Interest	<u>198,702</u>

Total investment income	(706,944)
Less investment expense	<u>(80,440)</u>

Net investment income	<u>(787,384)</u>
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Total additions	<u>3,260,699</u>
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**DEDUCTIONS**

Benefits and refunds	2,928,044
Administrative expenses	<u>55,500</u>

Total deductions	<u>2,983,544</u>
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NET INCREASE	277,155
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**NET POSITION RESTRICTED  
FOR PENSIONS**

January 1	<u>42,346,205</u>
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December 31	<u><u>\$ 42,623,360</u></u>
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See accompanying notes to financial statements.

# VILLAGE OF HANOVER PARK, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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### 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)

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**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 funds:

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.

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

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

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.

The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. Sales taxes, telecommunications taxes and use taxes use a 90-day period and income taxes use a 120-day period. Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Village reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unavailable/deferred 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 inflow is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

f. Interfund Receivables/Payables

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Inventories

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

h. Prepaid Items/Expenses

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

i. Capital Assets

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

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

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. 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 or any deficit fund balance is reported as unassigned.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Fund Equity/Net Position (Continued)

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.

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 assets 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

o. Use of Estimates

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

**2. LEGAL COMPLIANCE AND ACCOUNTABILITY**

Deficit Fund Balances

The Special Service Area #6, Tax Increment Financing #4, Tax Increment Financing #5 and GO Bond 2010A Funds reported deficit fund balances of \$254,035, \$24,674, \$29,254 and \$153,517, respectively. These deficits are expected to be funded by future tax levies.

**3. DEPOSITS AND INVESTMENTS**

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

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

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

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

**3. DEPOSITS AND INVESTMENTS (Continued)**

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

a. Village Deposits with Financial Institutions

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

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 102,140	\$ -	\$ 102,140	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 102,140</b>	<b>\$ -</b>	<b>\$ 102,140</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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**3. DEPOSITS AND INVESTMENTS (Continued)**

b. Village Investments (Continued)

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

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

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%

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

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**3. DEPOSITS AND INVESTMENTS (Continued)**

b. Village Investments (Continued)

Diversification by Financial Institution

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

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

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

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

**4. RECEIVABLES - TAXES**

Property taxes for 2014 attached as an enforceable lien on January 1, 2014, 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, 2015 and are payable in two installments, on or about June 1, 2015 and September 1, 2015. Tax bills are prepared by Cook County and issued on or about February 1, 2015 and July 1, 2015 and are payable March 1, 2015 and August 1, 2015. The counties collect such taxes and remit them periodically.

The 2015 tax levy, which attached as an enforceable lien on property as of January 1, 2015, has been recorded as a receivable and unavailable/deferred revenue as of December 31, 2015 as the tax has been levied by the Village and is intended to fund the 2016 fiscal year.

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

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balances May 1	Increases	Decreases	Transfers	Ending Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 3,781,687	\$ -	\$ 1,895,380	\$ 1,895,380	\$ 3,781,687
Permanent easements	33,873	-	-	-	33,873
Right of way	25,058,691	-	-	-	25,058,691
Construction in progress	173,826	235,534	573,251	399,425	235,534
Total capital assets not being depreciated	29,048,077	235,534	2,468,631	2,294,805	29,109,785
Capital assets being depreciated					
Buildings	29,157,653	69,680	2,040,385	2,040,385	29,227,333
Machinery, equipment and vehicles	11,762,437	1,602,535	54,220	-	13,310,752
Improvements other than buildings	2,813,056	-	62,755	62,755	2,813,056
Infrastructure	33,313,034	475,919	-	-	33,788,953
Total capital assets being depreciated	77,046,180	2,148,134	2,157,360	2,103,140	79,140,094
Less accumulated depreciation for					
Buildings	6,027,794	663,985	114,742	114,742	6,691,779
Machinery, equipment and vehicles	6,228,130	836,346	54,220	-	7,010,256
Improvements other than buildings	835,547	146,567	3,922	3,922	982,114
Infrastructure	23,939,393	609,800	-	-	24,549,193
Total accumulated depreciation	37,030,864	2,256,698	172,884	118,664	39,233,342
Total capital assets being depreciated, net	40,015,316	(108,564)	1,984,476	1,984,476	39,906,752
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 69,063,393</b>	<b>\$ 126,970</b>	<b>\$ 4,453,107</b>	<b>\$ 4,279,281</b>	<b>\$ 69,016,537</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 762,366
Community development	28,622
Public safety	632,654
Public works	833,056
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,256,698</b>

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

**5. CAPITAL ASSETS (Continued)**

	Beginning Balances January 1	Increases	Decreases	Transfers	Ending Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 4,150,013	\$ -	\$ -	\$ (1,895,380)	\$ 2,254,633
Construction in progress	399,425	-	-	(399,425)	-
Total capital assets not being depreciated	4,549,438	-	-	(2,294,805)	2,254,633
Capital assets being depreciated					
Buildings and structures	14,669,649	-	-	(2,040,385)	12,629,264
Machinery, equipment and vehicles	3,728,663	-	30,783	-	3,697,880
Underground systems	14,808,735	475,918	-	-	15,284,653
Improvements other than buildings	9,696,382	-	-	(62,755)	9,633,627
Total capital assets being depreciated	42,903,429	475,918	30,783	(2,103,140)	41,245,424
Less accumulated depreciation for					
Building and structures	6,224,836	256,969	-	(114,742)	6,367,063
Machinery and equipment	2,282,216	191,840	30,783	-	2,443,273
Underground systems	5,741,849	299,491	-	-	6,041,340
Improvements other than buildings	4,047,487	222,836	-	(3,922)	4,266,401
Total accumulated depreciation	18,296,388	971,136	30,783	(118,664)	19,118,077
Total capital assets being depreciated, net	24,607,041	(495,218)	-	(1,984,476)	22,127,347
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 29,156,479</b>	<b>\$ (495,218)</b>	<b>\$ -</b>	<b>\$ (4,279,281)</b>	<b>\$ 24,381,980</b>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Waterworks and sewerage	\$ 927,480
Municipal railroad parking lot	43,656
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 971,136</b>

**6. RISK MANAGEMENT**

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

a. Intergovernmental Personnel Benefit Cooperative

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

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

b. Intergovernmental Risk Management Agency

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

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

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

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

**6. RISK MANAGEMENT (Continued)**

b. Intergovernmental Risk Management Agency (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of December 31, 2015.

**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 January 1	Additions	Reductions and Defeasance	Balances December 31	Current Portion
\$10,000,000 General Obligation Bond Series of 2010, due in annual installments of \$280,000 to \$1,255,000 plus interest ranging from 1.78% to 6.00% through December 1, 2029.	Debt Service	\$ 9,145,000	\$ -	\$ 295,000	\$ 8,850,000	\$ 305,000
\$5,000,000 General Obligation Bond Series of 2010A, due in annual installments of \$50,000 to \$1,500,000 plus interest ranging from 2.15% to 5.50% through December 1, 2030.	Debt Service	4,850,000	-	150,000	4,700,000	175,000
\$7,030,000 General Obligation Refunding Bond Series of 2011, due in annual installments of \$450,000 to \$645,000 plus interest ranging from 2.00% to 3.25% through December 1, 2024.	Debt Service	5,620,000	-	500,000	5,120,000	505,000
<b>TOTAL</b>		<b>\$ 19,615,000</b>	<b>\$ -</b>	<b>\$ 945,000</b>	<b>\$ 18,670,000</b>	<b>\$ 985,000</b>

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

**7. LONG-TERM DEBT (Continued)**

b. Illinois Environmental Protection Agency 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 January 1	Additions	Reductions	Balances December 31	Current Portion
1997 EPA Loan I	Waterworks and Sewerage	\$ 591,037	\$ -	\$ 231,470	\$ 359,567	\$ 238,032
2000 EPA Loan II	Waterworks and Sewerage	476,611	-	105,713	370,898	108,509
<b>TOTAL</b>		<b>\$ 1,067,648</b>	<b>\$ -</b>	<b>\$ 337,183</b>	<b>\$ 730,465</b>	<b>\$ 346,541</b>

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		EPA Loans	
	Principal	Interest	Principal	Interest
2016	\$ 985,000	\$ 912,942	\$ 346,541	\$ 17,487
2017	1,030,000	884,930	232,911	7,872
2018	1,050,000	852,955	114,319	3,219
2019	1,070,000	818,218	36,694	482
2020	1,095,000	779,516	-	-
2021	1,120,000	735,760	-	-
2022	1,145,000	688,998	-	-
2023	1,180,000	640,668	-	-
2024	1,235,000	591,048	-	-
2025	1,345,000	536,313	-	-
2026	1,405,000	459,915	-	-
2027	1,445,000	377,630	-	-
2028	1,510,000	292,480	-	-
2029	1,555,000	201,300	-	-
2030	1,500,000	105,000	-	-
<b>TOTAL</b>	<b>\$ 18,670,000</b>	<b>\$ 8,877,673</b>	<b>\$ 730,465</b>	<b>\$ 29,060</b>

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

**7. LONG-TERM DEBT (Continued)**

d. Changes in Long-Term Liabilities

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

	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds payable	\$ 19,615,000	\$ -	\$ 945,000	\$ 18,670,000	\$ 985,000
Add unamortized bond premium	73,411	-	7,341	66,070	-
Less unamortized bond discount	(87,620)	-	(5,714)	(81,906)	-
Compensated absences*	971,345	430,905	48,567	1,353,683	67,684
Net pension liability*	35,974,041	6,044,319	-	42,018,360	-
Net other postemployment benefit obligation*	1,397,675	124,237	-	1,521,912	-
<b>TOTAL</b>	<b>\$ 57,943,852</b>	<b>\$ 6,599,461</b>	<b>\$ 995,194</b>	<b>\$ 63,548,119</b>	<b>\$ 1,052,684</b>

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

	Balances January 1 Restated	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
EPA loans	\$ 1,067,648	\$ -	\$ 337,183	\$ 730,465	\$ 346,541
Compensated absences	85,974	10,252	4,299	91,927	4,596
Net pension liability	1,487,571	1,067,141	-	2,554,712	-
Net other postemployment benefit obligation	124,847	11,097	-	135,944	-
<b>TOTAL</b>	<b>\$ 2,766,040</b>	<b>\$ 1,088,490</b>	<b>\$ 341,482</b>	<b>\$ 3,513,048</b>	<b>\$ 351,137</b>

e. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

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**7. LONG-TERM DEBT (Continued)**

e. Legal Debt Margin (Continued)

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 December 31, 2015, there was one IDRB outstanding with outstanding principal of \$155,000.

**8. INDIVIDUAL FUND DISCLOSURES**

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	<u>\$ 266,881</u>
<b>TOTAL</b>		<u><b>\$ 266,881</b></u>

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

- \$266,881 advance from the General Fund to the Special Service Area #6 Fund to cover eligible nonbuilding improvements such as road and lot paving.

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental	General	\$ 1,430,802
Internal service	General	175,000
Internal service	Waterworks and Sewerage	<u>125,000</u>
<b>TOTAL</b>		<u><b>\$ 1,730,802</b></u>

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

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

Interfund transfers during the year ended December 31, 2015 consisted of the following:

- \$1,605,802 and \$125,000 transferred from the General Fund and Waterworks and Sewerage Fund, respectively, to the General Capital Projects Fund and Internal Service Fund to cover project expenditures and to start the IT Equipment Replacement Fund.

Due from/to other funds at December 31, 2015 consisted of the following:

Receivable Fund-	Payable Fund	Amount
General	Nonmajor governmental	\$ 297,845
<b>TOTAL</b>		<b><u>\$ 297,845</u></b>

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

- \$297,845 due from the nonmajor governmental funds to the General Corporate Fund is for amount due for repayment of debt. This amount will be paid within one year.

**9. COMMITMENTS**

Northwest Suburban Municipal Joint Action Water Agency

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

Fiscal Year Ending December 31,	Amount
2016	\$ 870,228
2017	869,744
2018	869,938
2019	869,862
2020	869,839
2021	<u>870,188</u>
<b>TOTAL</b>	<b><u>\$ 5,219,799</u></b>

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

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 December 31, 2015, three agreements have been in effect for businesses that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2019. For the second agreement, a maximum of \$2,500,000 is to be paid or until 20 years elapses, whichever occurs first. For the third agreement, a maximum of \$750,000 is to be paid or until 20 years elapses, whichever occurs first. The amount paid/accrued for the fiscal period ended December 31, 2015 was \$2,675,396. The total expenditures incurred to date in rebates for the currently effective agreements as of December 31, 2015 is \$13,873,855.

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 \$464,115 as of December 31, 2015.

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

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**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 December 31, 2015. 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

Description of Joint Venture

The Village is a member of JAWA which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of December 31, 2015 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.

**11. JOINT VENTURES (Continued)**

Northwest Suburban Municipal Joint Action Water Agency (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 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 (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 \$3,759,947 to JAWA for the year ended December 31, 2015. All payments were paid from the Waterworks and Sewerage Fund.

Investment in Joint Venture

In September 2015, the Village entered into a joint venture with a developer to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established corporation, Hanover Square, LLC, and acquired a 90% ownership interest in the corporation. The Village closed the Hanover Square enterprise fund and transferred the ownership interest to the governmental activities. Upon dissolution of the corporation, the proceeds of the sale of the property will revert to the TIF #3 Fund.

The Village had total assets of \$4,517,472, liabilities of \$1,951,706 and equity of \$2,565,766. The Village's 90% share of the equity, \$2,309,189, is recorded as an asset in the governmental activities.

**12. DEFINED BENEFIT PENSION PLANS**

The Village contributes to four defined benefit pension plans, Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP), agent multiple-employer public employee retirement systems; 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 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 the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. Plan Membership

At December 31, 2015, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	109	2
Inactive employees entitled to but not yet receiving benefits	67	-
Active employees	95	-
	<hr/>	<hr/>
TOTAL	<u>271</u>	<u>2</u>

b. Benefits Provided

Illinois Municipal Retirement Fund

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

b. Benefits Provided (Continued)

Sheriff's Law Enforcement Personnel

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2015 was 0.00% of covered payroll.

c. Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF and 6.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund IMRF and SLEP as specified by statute. The employer contribution for 2015 was 13.58% of covered payroll for IMRF and 0.00% for SLEP.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

d. Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2015	December 31, 2015
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.75%	2.75%
Salary increases	3.75% to 14.50%	3.75% to 14.50%
Interest rate	7.50%	7.50%
Cost of living adjustments	3.00%	3.00%
Asset valuation method	Market value	Market value

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

e. Discount Rate

The discount rate used to measure the total pension liability was 7.50% for SLEP. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

f. Changes in the Net Pension Liability

Illinois Municipal Retirement Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 45,310,614	\$ 40,829,994	\$ 4,480,620
Changes for the period			
Service cost	650,191	-	650,191
Interest	3,333,582	-	3,333,582
Difference between expected and actual experience	856,622	-	856,622
Changes in assumptions	111,824	-	111,824
Employer contributions	-	888,579	(888,579)
Employee contributions	-	316,164	(316,164)
Net investment income	-	201,816	(201,816)
Benefit payments and refunds	(2,138,221)	(2,138,221)	-
Administrative expense	-	-	-
Other (net transfer)	-	331,390	(331,390)
Net changes	2,813,998	(400,272)	3,214,270
BALANCES AT DECEMBER 31, 2015	\$ 48,124,612	\$ 40,429,722	\$ 7,694,890

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

f. Changes in the Net Pension Liability (Continued)

Sheriff's Law Enforcement Personnel Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 616,265	\$ 694,930	\$ (78,665)
Changes for the period			
Service cost	-	-	-
Interest	44,500	-	44,500
Difference between expected and actual experience	4,854	-	4,854
Changes in assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	-	-
Net investment income	-	3,360	(3,360)
Benefit payments and refunds	(45,853)	(45,853)	-
Administrative expense	-	-	-
Other (net transfer)	-	20,078	(20,078)
Net changes	3,501	(22,415)	25,916
BALANCES AT DECEMBER 31, 2015	\$ 619,766	\$ 672,515	\$ (52,749)

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Illinois Municipal Retirement Fund

For the year ended December 31, 2015, the Village recognized pension expense of \$1,141,992. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 610,837	\$ -
Changes in assumption	79,739	-
Net difference between projected and actual earnings on pension plan investments	2,270,281	-
<b>TOTAL</b>	<b>\$ 2,960,857</b>	<b>\$ -</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ 845,444
2017	845,444
2018	702,398
2019	567,571
2020	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 2,960,857</b>

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Sheriff's Law Enforcement Personnel Fund

For the year ended December 31, 2015, the Village recognized pension expense of \$(12,318). At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	38,234	-
TOTAL	<u>\$ 38,234</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to SLEP will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ 9,559
2017	9,559
2018	9,559
2019	9,557
2020	-
Thereafter	-
TOTAL	<u>\$ 38,234</u>

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

h. Discount Rate Sensitivity

Illinois Municipal Retirement Fund

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.46% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.46%) or 1 percentage point higher (8.46%) than the current rate:

	1% Decrease (6.46%)	Current Discount Rate (7.46%)	1% Increase (8.46%)
Net pension liability	\$ 13,771,685	\$ 7,694,890	\$ 2,669,074

Sheriff's Law Enforcement Personnel Fund

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability (asset)	\$ 12,803	\$ (52,749)	\$ (108,174)

Police Pension Plan

a. Plan Administration

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

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

a. Plan Descriptions (Continued)

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

b. Plan Membership

At December 31, 2015, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>60</u>
 TOTAL	 <u>98</u>

c. Benefits Provided

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Police Pension Plan. For the year ended December 31, 2015, the Village's contribution was 41.4% of covered payroll and was based on 100% funding levels.

e. Investment Policy

ILCS limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the Village plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds and equity securities. During the year ended December 31, 2015, no changes to the investment policy were approved by the Board of Trustees.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

e. Investment Policy (Continued)

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
T Bill	1.00%	0.50%
Short Gov/Credit	5.00%	2.00%
Int Gov/Credit	0.00%	2.50%
Intermediate Govt	40.00%	2.00%
Large	5.00%	4.50%
Large Value	5.00%	5.00%
Mid Value	6.00%	5.00%
Small	7.00%	6.00%
Small Value	7.00%	7.00%
International Developed	4.00%	4.50%
International Value	5.00%	7.00%
International Small	5.00%	8.00%
Emerging Markets	7.00%	8.00%
REIT	3.00%	4.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future arithmetic real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

f. Investment Valuations

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

g. Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.71%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

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

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 7,199,461	\$ 1,063,526	\$ 3,767,984	\$ 2,367,951	\$ -
U.S. agency obligations	3,983,041	150,336	2,308,856	1,513,881	9,968
<b>TOTAL</b>	<b>\$ 11,182,502</b>	<b>\$ 1,213,862</b>	<b>\$ 6,076,840</b>	<b>\$ 3,881,832</b>	<b>\$ 9,968</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

j. Credit Risk

The Fund 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. The U.S. agency obligations are either not rated or rated from AA+ to AAA.

k. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund'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 Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds are not subject to custodial credit risk.

l. Concentrations

There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Police Pension Plan.

m. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

n. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 49,377,590	\$ 27,021,198	\$ 22,356,392
Changes for the period			
Service cost	933,500	-	933,500
Interest	3,388,095	-	3,388,095
Difference between expected and actual experience	(1,191,861)	-	(1,191,861)
Changes in assumptions	1,065,729	-	1,065,729
Employer contributions	-	2,078,956	(2,078,956)
Employee contributions	-	510,565	(510,565)
Net investment income	-	(492,361)	492,361
Benefit payments and refunds	(1,952,464)	(1,952,464)	-
Administrative expense	-	(29,889)	29,889
Net Changes	2,242,999	114,807	2,128,192
BALANCES AT December 31, 2015	\$ 51,620,589	\$ 27,136,005	\$ 24,484,584

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

o. Actuarial Assumptions

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

Actuarial valuation date December 31, 2015

Actuarial cost method Entry-age normal

Assumptions

Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.57%
Projected Individual Salary Increases	4.00% to 10.54%
Projected Increase in Total Payroll	3.75%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Asset valuation method Market

Mortality rates were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines the observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to the valuation date.

p. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 32,433,901	\$ 24,484,584	\$ 18,045,510

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

- q. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Village recognized police pension expense of \$2,395,419. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,061,602
Changes in assumption	949,255	-
Net difference between projected and actual earnings on pension plan investments	1,924,076	-
<b>TOTAL</b>	<b>\$ 2,873,331</b>	<b>\$ 1,061,602</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ 467,235
2017	467,235
2018	467,235
2019	467,231
2020	(13,785)
Thereafter	(43,422)
<b>TOTAL</b>	<b>\$ 1,811,729</b>

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan

a. Plan Administration

Firefighter's sworn personnel are covered by the Firefighter's 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 Firefighter's Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter's employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

b. Plan Membership

At December 31, 2015, the Firefighter's Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>34</u>
 TOTAL	 <u>58</u>

c. Benefits Provided

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter's 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. Firefighter's 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% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter's officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter's officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Firefighter's 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 Firefighter's Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Firefighter's Pension Plan. For the year ended December 31, 2015, the Village's contribution was 39.27% of covered payroll and was based on 100% funding levels.

e. Investment Policy

ILCS limit the Firefighter's Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as 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 (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds and equity securities.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

e. Investment Policy (Continued)

During the year ended December 31, 2015, no changes to the investment policy were approved by the Board of Trustees.

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
T Bill	1.00%	0.50%
Short Gov/Credit	5.00%	2.00%
Int Gov/Credit	0.00%	2.50%
Intermediate Govt	40.00%	2.00%
Large	5.00%	4.50%
Large Value	5.00%	5.00%
Mid Value	6.00%	5.00%
Small	7.00%	6.00%
Small Value	7.00%	7.00%
International Developed	4.00%	4.50%
International Value	5.00%	7.00%
International Small	5.00%	8.00%
Emerging Markets	7.00%	8.00%
REIT	3.00%	4.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future arithmetic real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

f. Investment Valuations

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

g. Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, (1.76%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

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

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of December 31, 2015

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 5,260,700	\$ 490,553	\$ 3,773,849	\$ 996,298	\$ -
U.S. agency obligations	841,320	-	247,934	572,015	21,371
<b>TOTAL</b>	<b>\$ 6,102,020</b>	<b>\$ 490,553</b>	<b>\$ 4,021,783</b>	<b>\$ 1,568,313</b>	<b>\$ 21,371</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

j. Credit Risk

The Fund 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. The U.S. agency obligations are either not rated or rated AAA.

k. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund'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 Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds are not subject to custodial credit risk.

l. Concentrations

There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Firefighter's Pension Plan.

m. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

n. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 26,028,272	\$ 15,325,007	\$ 10,703,265
Changes for the period			
Service cost	697,712	-	697,712
Interest	1,787,834	-	1,787,834
Difference between expected and actual experience	(121,544)	-	(121,544)
Changes in assumptions	517,009	-	517,009
Employer contributions	-	1,164,625	(1,164,625)
Employee contributions	-	293,937	(293,937)
Net investment income	-	(295,023)	295,023
Benefit payments and refunds	(975,580)	(975,580)	-
Administrative expense	-	(25,611)	25,611
Net Changes	1,905,431	162,348	1,743,083
BALANCES AT DECEMBER 31, 2015	\$ 27,933,703	\$ 15,487,355	\$ 12,446,348

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

o. Actuarial Assumptions

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

Actuarial valuation date December 31, 2015

Actuarial cost method Entry-age normal

Assumptions

Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.57%
Projected Individual Salary Increases	4.00% to 18.84%
Projected Increase in Total Payroll	3.75%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Asset valuation method Market

Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighter's with the RP-2014 mortality table for blue collar workers. Mortality improvements have been to the valuation date.

p. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 16,741,625	\$ 12,446,348	\$ 8,952,357

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighter's Pension Plan (Continued)

- q. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Village recognized firefighter's pension expense of \$1,448,158. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighter's pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 108,347
Changes in assumption	460,873	-
Net difference between projected and actual earnings on pension plan investments	1,107,024	-
TOTAL	<u>\$ 1,567,897</u>	<u>\$ 108,347</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighter's pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ 319,696
2017	319,696
2018	319,696
2019	319,692
2020	42,939
Thereafter	<u>137,831</u>
TOTAL	<u>\$ 1,459,550</u>

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

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**13. PENSION TRUST FUNDS**

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan and the Retiree Health Insurance Plan.

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 541,257	\$ 806,956	\$ 1,348,213
Investments			
U.S. Government and agency obligations	11,182,502	6,102,020	17,284,522
Money market mutual funds	159,155	102,987	262,142
Mutual funds	15,205,534	8,405,359	23,610,893
Illinois Metropolitan Investment Fund	10	45,298	45,308
Receivables			
Accrued interest	51,417	29,471	80,888
Due from Village	160	-	160
Prepaid items	3,406	-	3,406
	<hr/>	<hr/>	<hr/>
Total assets	27,143,441	15,492,091	42,635,532
<b>LIABILITIES</b>			
Accounts payable	7,436	4,736	12,172
	<hr/>	<hr/>	<hr/>
Total liabilities	7,436	4,736	12,172
	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>	<u>\$ 27,136,005</u>	<u>\$ 15,487,355</u>	<u>\$ 42,623,360</u>

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

**13. PENSION TRUST FUNDS (Continued)**

Fiduciary Funds Summary Financial Information (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,078,956	\$ 1,164,625	\$ 3,243,581
Participants	510,565	293,937	804,502
Total contributions	<u>2,589,521</u>	<u>1,458,562</u>	<u>4,048,083</u>
Investment income			
Net (depreciation) in fair value of investments	(575,922)	(329,724)	(905,646)
Interest earned	134,356	64,346	198,702
Less investment expense	(50,795)	(29,645)	(80,440)
Net investment income	<u>(492,361)</u>	<u>(295,023)</u>	<u>(787,384)</u>
Total additions	<u>2,097,160</u>	<u>1,163,539</u>	<u>3,260,699</u>
<b>DEDUCTIONS</b>			
Pension benefits and refunds	1,952,464	975,580	2,928,044
Administrative expenses	29,889	25,611	55,500
Total deductions	<u>1,982,353</u>	<u>1,001,191</u>	<u>2,983,544</u>
NET INCREASE	114,807	162,348	277,155
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
January 1	<u>27,021,198</u>	<u>15,325,007</u>	<u>42,346,205</u>
December 31	<u>\$27,136,005</u>	<u>\$15,487,355</u>	<u>\$ 42,623,360</u>

**14. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At December 31, 2014 (latest information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	35
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	28
Active employees - nonvested	<u>135</u>
 TOTAL	 <u>198</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)**

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 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, 2014	\$ 335,838	\$ 159,043	47.36%	\$ 1,431,241
December 31, 2014	313,674	222,393	70.90%	1,522,522
December 31, 2015	489,559	354,225	72.36%	1,657,856

The net OPEB obligation as of December 31, 2015 was calculated as follows:

Annual required contribution	\$ 479,409
Interest on net OPEB obligation	60,901
Adjustment to annual required contribution	<u>(50,751)</u>
Annual OPEB cost	489,559
Contributions made	<u>354,225</u>
Increase in net OPEB obligation	135,334
Net OPEB obligation, beginning of year	<u>1,522,522</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<u><u>\$ 1,657,856</u></u>

Funded Status and Funding Progress: The funded status of the Plan as of December 31, 2014 (latest information available) was as follows:

Actuarial accrued liability (AAL)	\$ 7,825,927
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,825,927
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 13,399,250
UAAL as a percentage of covered payroll	58.41%

**14. 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 December 30, 2014 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4%, projected salary increases of 4% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015 was 30 years.

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

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**15. CHANGE IN ACCOUNTING PRINCIPLE**

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To write-off the Police Pension Plan net pension asset	\$ (300,985)
To write-off the Fire Pension Plan net pension obligation	116,012
To record the Fire Pension Plan net pension liability	(10,703,265)
To record the Police Pension Plan net pension liability	(22,356,392)
To record the IMRF net pension liability	<u>(2,914,384)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	 <u>\$ (36,159,014)</u>
 CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To record the IMRF net pension liability	<u>\$ (1,487,571)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	 <u><u>\$ (1,487,571)</u></u>

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability and write off the net pension obligation (asset).

## **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
  - Other Postemployment Benefits Plan
- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Information
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Information
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund

**VILLAGE OF HANOVER PARK, ILLINOIS**

GENERAL FUND

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

For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes	\$ 24,247,962	\$ 24,247,962	\$ 25,254,187
Licenses and permits	1,092,340	1,092,340	1,209,977
Charges for services	1,672,605	1,672,605	1,451,562
Fines and forfeits	574,200	574,200	638,500
Intergovernmental	3,794,809	3,794,809	4,177,474
Investment income	50,170	50,170	54,136
Miscellaneous	304,922	304,922	340,821
	<hr/>	<hr/>	<hr/>
Total revenues	31,737,008	31,737,008	33,126,657
<b>EXPENDITURES</b>			
Current			
General government	3,542,805	3,542,805	3,344,230
Community development	2,466,492	2,466,492	3,007,973
Public safety	19,791,339	19,791,339	19,322,453
Public works	4,301,703	4,301,703	3,962,391
	<hr/>	<hr/>	<hr/>
Total expenditures	30,102,339	30,102,339	29,637,047
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<hr/>	<hr/>	<hr/>
	1,634,669	1,634,669	3,489,610
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	42,800	42,800	-
Transfers (out)	(1,585,094)	(1,585,094)	(1,605,802)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1,542,294)	(1,542,294)	(1,605,802)
<b>NET CHANGE IN FUND BALANCES</b>			
	<hr/>	<hr/>	<hr/>
	\$ 92,375	\$ 92,375	1,883,808
<b>FUND BALANCE, JANUARY 1</b>			
			<hr/>
			14,736,692
<b>FUND BALANCE, DECEMBER 31</b>			
			<hr/>
			\$ 16,620,500

(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 December 31, 2015

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 997,000	\$ 997,000	\$ 928,341
Reimbursements	2,300	2,300	1,575
Investment income	3,900	3,900	3,694
	<hr/>	<hr/>	<hr/>
Total revenues	1,003,200	1,003,200	933,610
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Highways and streets			
Personal services	-	-	3,485
Commodities	353,250	353,250	130,776
Contractual services	463,628	463,628	424,826
Capital outlay	1,000,000	1,000,000	89,448
	<hr/>	<hr/>	<hr/>
Total expenditures	1,816,878	1,816,878	648,535
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (813,678)</u>	<u>\$ (813,678)</u>	\$ 285,075
FUND BALANCE, JANUARY 1			<hr/> 948,221
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 1,233,296</u>

(See independent auditor's report.)

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

December 31, 2015

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2011	\$ -	\$ 3,708,726	0.00%	\$ 3,708,726	\$ 15,721,793	23.59%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	5,484,303	0.00%	5,484,303	14,706,941	37.29%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2014*	-	7,825,927	0.00%	7,825,927	13,399,250	58.41%
2015	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
2011	\$ 143,279	\$ 402,763	35.57%
2012	147,577	211,303	69.84%
2013	159,043	211,303	75.27%
2014	159,043	327,475	48.57%
2014*	222,393	307,314	72.37%
2015	354,225	479,409	73.89%

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

N/A - an actuarial valuation was not performed.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

December 31, 2015

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	<u>2015</u>
Actuarially determined contribution	\$ 888,579
Contributions in relation to the actuarially determined contribution	<u>888,579</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 6,543,294
Contributions as a percentage of covered-employee payroll	13.58%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

December 31, 2015

	<b>2015</b>
Actuarially determined contribution	\$ -
Contributions in relation to the actuarially determined contribution	-
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>
Covered-employee payroll	\$ -
Contributions as a percentage of covered-employee payroll	N/A

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Last Ten Fiscal Years

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>
Actuarially determined contribution	\$ 1,150,862	\$ 892,877	\$ 959,382	\$ 1,047,722	\$ 1,302,480	\$ 1,562,318	\$ 1,657,706	\$ 1,729,683	\$ 1,275,435	\$ 2,078,956
Contribution in relation to the actuarially determined contribution	1,188,133	892,877	987,368	1,047,722	1,302,480	1,562,318	1,657,706	1,729,683	1,275,435	2,078,956
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (37,271)</b>	<b>\$ -</b>	<b>\$ (27,986)</b>	<b>\$ -</b>						
Covered-employee payroll	\$ 3,381,577	\$ 3,566,235	\$ 3,782,571	\$ 4,351,415	\$ 4,664,877	\$ 4,760,070	\$ 4,761,260	\$ 4,930,629	\$ 5,101,739	\$ 5,020,825
Contributions as a percentage of covered-employee payroll	35%	25%	26%	24%	28%	33%	35%	35%	25%	41%

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

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**FIREFIGHTERS' PENSION FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2014*	2015
Actuarially determined contribution	\$ 371,075	\$ 374,835	\$ 471,152	\$ 574,010	\$ 698,763	\$ 805,643	\$ 815,297	\$ 915,601	\$ 714,491	\$ 1,164,625
Contribution in relation to the actuarially determined contribution	371,075	374,835	471,152	574,010	698,763	805,643	815,297	915,601	714,491	1,164,625
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>									
Covered-employee payroll	\$ 2,105,239	\$ 2,254,020	\$ 2,402,710	\$ 2,637,743	\$ 2,666,892	\$ 2,672,762	\$ 2,828,141	\$ 2,980,239	\$ 2,980,239	\$ 2,965,597
Contributions as a percentage of covered-employee payroll	18%	17%	20%	22%	26%	30%	29%	31%	24%	39%

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

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

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

December 31, 2015

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	<u>2015</u>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 650,191
Interest	3,333,582
Changes of benefit terms	-
Differences between expected and actual experience	856,622
Changes of assumptions	111,824
Benefit payments, including refunds of member contributions	<u>(2,138,221)</u>
Net change in total pension liability	2,813,998
Total pension liability - beginning	<u>45,310,614</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 48,124,612</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - employer	\$ 888,579
Contributions - member	316,164
Net investment income	201,816
Benefit payments, including refunds of member contributions	(2,138,221)
Administrative expense	<u>331,390</u>
Net change in plan fiduciary net position	(400,272)
Plan fiduciary net position - beginning	<u>40,829,994</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u><u>\$ 40,429,722</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u><u>\$ 7,694,890</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.01%
Covered-employee payroll	\$ 6,543,294
Employer's net pension liability as a percentage of covered-employee payroll	117.60%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND

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

December 31, 2015

	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ -
Interest	44,500
Changes of benefit terms	-
Differences between expected and actual experience	4,854
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(45,853)
Net change in total pension liability	3,501
Total pension liability - beginning	616,265
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 619,766</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - employer	\$ -
Contributions - member	-
Net investment income	3,360
Benefit payments, including refunds of member contributions	(45,853)
Administrative expense	20,078
Net change in plan fiduciary net position	(22,415)
Plan fiduciary net position - beginning	694,930
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 672,515</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ (52,749)</b>
Plan fiduciary net position as a percentage of the total pension liability	108.5%
Covered-employee payroll	\$ -
Employer's net pension liability as a percentage of covered-employee payroll	0.0%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**POLICE PENSION FUND**

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

December 31, 2015

	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 933,500	\$ 826,153
Interest	3,388,095	2,120,601
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,191,861)	(74,557)
Changes of assumptions	1,065,729	884,268
Benefit payments, including refunds of member contributions	(1,952,464)	1,164,414
	2,242,999	4,920,879
Net change in total pension liability		
Total pension liability - beginning	49,377,590	44,456,711
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 51,620,589</b>	<b>\$ 49,377,590</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 2,078,956	\$ 1,275,435
Contributions - member	510,565	323,746
Net investment income	(492,361)	415,166
Benefit payments, including refunds of member contributions	(1,952,464)	(1,164,414)
Administrative expense	(29,889)	(50,938)
	114,807	798,995
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning	27,021,198	26,222,203
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 27,136,005</b>	<b>\$ 27,021,198</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 24,484,584</b>	<b>\$ 22,356,392</b>
Plan fiduciary net position as a percentage of the total pension liability	52.57%	54.72%
Covered-employee payroll	\$ 5,020,825	\$ 5,101,739
Employer's net pension liability as a percentage of covered-employee payroll	487.66%	438.21%

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**FIREFIGHTERS' PENSION FUND**

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

December 31, 2015

	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 697,712	\$ 534,054
Interest	1,787,834	1,153,817
Changes of benefit terms	-	-
Differences between expected and actual experience	(121,544)	(123,447)
Changes of assumptions	517,009	(297,826)
Benefit payments, including refunds of member contributions	(975,580)	593,064
	1,905,431	1,859,662
Net change in total pension liability		
Total pension liability - beginning	26,028,272	24,168,610
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 27,933,703</b>	<b>\$ 26,028,272</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 1,164,625	\$ 714,492
Contributions - member	293,937	184,034
Net investment income	(295,023)	237,412
Benefit payments, including refunds of member contributions	(975,580)	(593,064)
Administrative expense	(25,611)	(33,424)
	162,348	509,450
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning	15,325,007	14,815,557
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 15,487,355</b>	<b>\$ 15,325,007</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,446,348</b>	<b>\$ 10,703,265</b>
Plan fiduciary net position as a percentage of the total pension liability	55.44%	58.88%
Covered-employee payroll	\$ 2,965,597	\$ 2,980,239
Employer's net pension liability as a percentage of covered-employee payroll	419.69%	359.14%

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**POLICE PENSION FUND**

**SCHEDULE OF INVESTMENT RETURNS**

December 31, 2015

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	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	(1.71%)	2.15%

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**FIREFIGHTERS' PENSION FUND**

**SCHEDULE OF INVESTMENT RETURNS**

December 31, 2015

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	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	(1.76%)	2.25%

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2015

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**BUDGETS**

All departments of the Village submit budget requests to the Village Manager in September of each year so that a budget may be prepared. The budget is prepared by fund, and includes information on the past year, current year estimates and requested budget for the next fiscal year, covering a period from January 1<sup>st</sup> to December 31<sup>st</sup>.

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

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

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

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

<u>Fund</u>	<u>Excess</u>
SSA #6	\$ 11,134

**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.

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>TAXES</b>			
Property tax	\$ 11,647,142	\$ 11,647,142	\$ 11,527,518
Municipal sales tax	5,315,000	5,315,000	5,641,105
Home rule sales tax	3,375,000	3,375,000	3,689,384
Real estate transfer tax	285,000	285,000	368,563
Use tax	667,000	667,000	844,592
Utility tax - simplified telephone	801,690	801,690	754,969
Utility tax - natural gas	245,630	245,630	215,496
Utility tax - electric	700,000	700,000	1,017,092
Prepared food tax	1,140,000	1,140,000	1,134,073
Foreign fire insurance tax	24,500	24,500	-
Auto rental tax	-	-	15,456
Hotel/motel tax	47,000	47,000	45,939
Total taxes	<u>24,247,962</u>	<u>24,247,962</u>	<u>25,254,187</u>
<b>LICENSES AND PERMITS</b>			
Licenses			
Business	89,000	89,000	93,597
Liquor	63,175	63,175	55,112
Contractor	47,200	47,200	45,165
Vendor/solicitor	2,500	2,500	1,175
Animal	550	550	955
Penalties on licenses	6,000	6,000	50
Multi-family	87,225	87,225	35,700
Single family	67,300	67,300	101,275
Land use development	-	-	3,975
Cable franchise fee	385,000	385,000	415,335
Solid waste franchise fee	108,000	108,000	122,121
Permits			
Building - DuPage	143,000	143,000	-
Building - Cook	87,890	87,890	334,822
Sign	5,500	5,500	695
Total licenses and permits	<u>1,092,340</u>	<u>1,092,340</u>	<u>1,209,977</u>
<b>CHARGES FOR SERVICES</b>			
Printed materials	4,000	4,000	3,945
Ambulance fees	650,000	650,000	689,022
Plan review - community development	118,000	118,000	18,758
Building reinspection fees	2,800	2,800	1,658
Vehicle impoundment fees	650,000	650,000	488,500
CPR fees	1,500	1,500	2,375
ADT administrative fee	4,000	4,000	6,183
Public safety application fee	1,000	1,000	3,620
Child safety seat installation	205	205	210
Inspection fee - miscellaneous	1,100	1,100	500
Highlighter advertising	-	-	1,150
Rental income	240,000	240,000	230,036
Fire training course	-	-	5,605
Total charges for services	<u>1,672,605</u>	<u>1,672,605</u>	<u>1,451,562</u>

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>FINES AND FORFEITS</b>			
Traffic fines - DuPage	\$ 38,000	\$ 38,000	\$ 46,488
Traffic fines - Cook	115,000	115,000	98,688
Ordinance violations	270,000	270,000	334,771
Police false alarm fines	4,500	4,500	8,450
Fire false alarm fines	3,700	3,700	5,000
Red light camera fines	142,000	142,000	143,838
Kennel fees	1,000	1,000	1,265
Total fines and forfeits	<u>574,200</u>	<u>574,200</u>	<u>638,500</u>
<b>INTERGOVERNMENTAL</b>			
State income tax	3,650,000	3,650,000	4,040,449
Replacement taxes	92,850	92,850	86,945
State grants	-	-	6,075
Reimbursement - DuPage County	14,959	14,959	10,360
Reimbursement - ILEAS	2,000	2,000	919
Reimbursement - ILEOT Boards	8,000	8,000	-
Reimbursement - police services	12,000	12,000	18,442
Reimbursement - fire services	15,000	15,000	14,284
Total intergovernmental	<u>3,794,809</u>	<u>3,794,809</u>	<u>4,177,474</u>
<b>INVESTMENT INCOME</b>	<u>50,170</u>	<u>50,170</u>	<u>54,136</u>
<b>MISCELLANEOUS</b>			
Reimbursement - miscellaneous	28,000	28,000	34,837
Hazardous materials	-	-	7,706
Corporate partnership program	3,000	3,000	515
Miscellaneous income	273,922	273,922	297,763
Total miscellaneous	<u>304,922</u>	<u>304,922</u>	<u>340,821</u>
<b>TOTAL REVENUES</b>	<u>\$ 31,737,008</u>	<u>\$ 31,737,008</u>	<u>\$ 33,126,657</u>

(See independent auditor's report.)

## **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 EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
President and board of trustees			
Personal services	\$ 27,462	\$ 27,462	\$ 33,774
Commodities	48,587	48,587	42,693
Contractual services	33,790	33,790	25,641
Total president and board of trustees	109,839	109,839	102,108
Village clerk			
Personal services	75,658	75,658	76,737
Commodities	2,485	2,485	3,389
Contractual services	25,715	25,715	14,076
Total village clerk	103,858	103,858	94,202
Village collector			
Personal services	75,304	75,304	83,272
Total village collector	75,304	75,304	83,272
Environmental committee			
Commodities	625	625	93
Contractual services	3,450	3,450	2,748
Total environmental committee	4,075	4,075	2,841
Cultural inclusion and diversity committee			
Commodities	700	700	581
Contractual services	3,250	3,250	2,966
Total cultural inclusion and diversity committee	3,950	3,950	3,547
Sister City committee			
Commodities	805	805	580
Contractual services	5,700	5,700	5,389
Total sister city committee	6,505	6,505	5,969
Citizens corp council committee			
Commodities	2,100	2,100	-
Contractual services	200	200	-
Total citizens corp council committee	2,300	2,300	-

(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 December 31, 2015

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Veterans committee			
Commodities	\$ 400	\$ 400	\$ 92
Contractual services	2,300	2,300	419
Total veterans committee	2,700	2,700	511
Development commission			
Commodities	700	700	42
Contractual services	800	800	5
Total development commission	1,500	1,500	47
CONNECT committee			
Commodities	750	750	525
Contractual services	5,100	5,100	3,774
Total CONNECT committee	5,850	5,850	4,299
Village manager			
Personal services	294,356	294,356	299,120
Commodities	3,288	3,288	2,839
Contractual services	36,055	36,055	41,555
Total village manager	333,699	333,699	343,514
Human resources			
Personal services	312,237	312,237	244,395
Commodities	36,579	36,579	38,438
Contractual services	103,176	103,176	117,084
Total human resources	451,992	451,992	399,917
Special events			
Contractual services	12,525	12,525	11,909
Commodities	-	-	-
Total special events	12,525	12,525	11,909
Information technology			
Personal services	265,797	265,797	256,404
Commodities	76,740	76,740	85,644
Contractual services	516,150	516,150	532,822
Total information technology	858,687	858,687	874,870

(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 December 31, 2015

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance department administration			
Personal services	\$ 151,799	\$ 151,799	\$ 127,564
Commodities	2,095	2,095	2,100
Contractual services	8,872	8,872	61,934
Total finance department administration	162,766	162,766	191,598
Collections			
Personal services	138,312	138,312	115,937
Commodities	5,675	5,675	7,491
Contractual services	9,585	9,585	3,575
Total collections	153,572	153,572	127,003
General accounting			
Personal services	143,336	143,336	108,346
Commodities	940	940	308
Contractual services	50,599	50,599	58,975
Total general accounting	194,875	194,875	167,629
General administrative services			
Personal services	261,064	261,064	107,544
Contractual services	797,744	797,744	823,450
Total general administrative services	1,058,808	1,058,808	930,994
Total general government	3,542,805	3,542,805	3,344,230
<b>PUBLIC WORKS</b>			
Administration			
Personal services	158,263	158,263	120,149
Commodities	3,130	3,130	2,991
Contractual services	9,170	9,170	62,158
Total administration	170,563	170,563	185,298
Streets			
Personal services	936,132	936,132	995,966
Commodities	111,495	111,495	107,728
Contractual services	349,765	349,765	348,784
Total streets	1,397,392	1,397,392	1,452,478

(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 December 31, 2015

	Original Budget	Final Budget	Actual
<b>PUBLIC WORKS (Continued)</b>			
Forestry			
Personal services	\$ 240,685	\$ 240,685	\$ 205,015
Commodities	12,720	12,720	16,268
Contractual services	448,543	448,543	314,857
Total forestry	701,948	701,948	536,140
Building			
Personal services	300,984	300,984	275,984
Commodities	109,350	109,350	83,909
Contractual services	223,372	223,372	223,848
Total building	633,706	633,706	583,741
Fleet services administration			
Personal services	441,378	441,378	433,400
Commodities	589,245	589,245	367,371
Contractual services	87,520	87,520	118,760
Total fleet services administration	1,118,143	1,118,143	919,531
Department of engineering			
Personal services	227,087	227,087	230,428
Commodities	2,990	2,990	1,978
Contractual services	49,874	49,874	46,312
Total department of engineering	279,951	279,951	278,718
MWRD property			
Commodities	-	-	3,830
Contractual services	-	-	2,655
Total MWRD property	-	-	6,485
Total public works	4,301,703	4,301,703	3,962,391
<b>PUBLIC SAFETY</b>			
Fire department			
Administration			
Personal services	559,150	559,150	554,701
Commodities	9,203	9,203	7,628
Contractual services	15,640	15,640	16,449
Total administration	583,993	583,993	578,778

(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 December 31, 2015

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY (Continued)</b>			
Fire department (Continued)			
Fire suppression			
Personal services	\$ 4,950,855	\$ 4,950,855	\$ 4,944,524
Commodities	54,920	54,920	48,766
Contractual services	460,773	460,773	456,380
Total fire suppression	5,466,548	5,466,548	5,449,670
Inspections			
Personal services	621,141	621,141	505,264
Commodities	9,080	9,080	3,049
Contractual services	29,550	29,550	26,307
Total inspections	659,771	659,771	534,620
Emergency transport			
Personal services	35,956	35,956	38,167
Commodities	1,000	1,000	977
Contractual services	148,100	148,100	150,414
Total emergency transport	185,056	185,056	189,558
Total fire department	6,895,368	6,895,368	6,752,626
Police department			
Administration			
Personal services	800,315	800,315	882,052
Commodities	8,561	8,561	7,274
Contractual services	12,579	12,579	12,302
Total administration	821,455	821,455	901,628
Patrol division			
Personal services	7,615,339	7,615,339	7,386,223
Commodities	63,908	63,908	66,863
Contractual services	315,581	315,581	311,139
Total patrol division	7,994,828	7,994,828	7,764,225
Investigations			
Personal services	1,701,304	1,701,304	1,659,562
Commodities	28,995	28,995	28,232
Contractual services	62,140	62,140	62,082
Total investigations	1,792,439	1,792,439	1,749,876

(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 December 31, 2015

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Department)			
Community services			
Personal services	\$ 89,580	\$ 89,580	\$ 96,662
Commodities	485	485	122
Contractual services	3,920	3,920	2,391
Total community services	93,985	93,985	99,175
Staff services			
Personal services	917,643	917,643	817,414
Commodities	44,950	44,950	47,242
Contractual services	678,004	678,004	687,121
Total staff services	1,640,597	1,640,597	1,551,777
Code enforcement			
Personal services	499,648	499,648	454,994
Commodities	5,160	5,160	3,326
Contractual services	33,380	33,380	35,631
Total code enforcement	538,188	538,188	493,951
Total police department	12,881,492	12,881,492	12,560,632
Emergency services			
Commodities	7,709	7,709	3,697
Contractual services	6,770	6,770	5,498
Total emergency services	14,479	14,479	9,195
Total public safety	19,791,339	19,791,339	19,322,453
<b>COMMUNITY DEVELOPMENT</b>			
Economic development			
Personal services	320,171	320,171	287,543
Commodities	4,880	4,880	3,090
Contractual services	2,141,441	2,141,441	2,717,340
Total economic development	2,466,492	2,466,492	3,007,973
Total community development	2,466,492	2,466,492	3,007,973
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,102,339</b>	<b>\$ 30,102,339</b>	<b>\$ 29,637,047</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

Special Service Area #3 Fund - This 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 - This fund is used to account for the restricted financing of public improvements and scavenger service and snow removal services for multi-family housing units located on Mark Thomas and Leslie Lanes. Funding is provided by taxes to be levied upon property in that area of the Village designated as the "Village of Hanover Park Special Service Area Number Four."

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

### **DEBT SERVICE FUNDS**

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **CAPITAL PROJECTS FUNDS**

Special Service Area #6 Fund - This 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 - This fund is used to account for the purchase of land, machinery, office equipment and furniture and for various capital improvements. Resources are assigned and provided from transfers from other funds.

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2015

	<u>Special Revenue</u>			
	<u>Road and Bridge</u>	<u>MWRD Fields</u>	<u>State Restricted</u>	<u>Federal Restricted</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,113,607	\$ 649,118	\$ 265,575	\$ 1,479
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	-	-	-
Accounts	-	9,805	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,113,607</b>	<b>\$ 658,923</b>	<b>\$ 265,575</b>	<b>\$ 1,479</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 57,308	\$ 7,986	\$ 7,130	\$ -
Contractors' payable	-	-	-	-
Other payables	-	-	-	-
Unearned revenue	130,000	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	187,308	7,986	7,130	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	187,308	7,986	7,130	-
<b>FUND BALANCES</b>				
Restricted				
Public safety	-	-	258,445	1,479
Highways and streets	926,299	650,937	-	-
Debt service	-	-	-	-
Community development	-	-	-	-
Special service areas	-	-	-	-
Unrestricted				
Assigned				
Capital improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	926,299	650,937	258,445	1,479
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,113,607</b>	<b>\$ 658,923</b>	<b>\$ 265,575</b>	<b>\$ 1,479</b>

Special Revenue							Debt Service
Foreign Fire Insurance Tax	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ 44,681	\$ 3,691,670	\$ 113	\$ 2,862	\$ 45,592	\$ 66,202	\$ 386,375	\$ 67,507
-	-	-	-	15,262	18,000	235,029	705,100
-	-	87,508	-	-	-	-	-
\$ 44,681	\$ 3,691,670	\$ 87,621	\$ 2,862	\$ 60,854	\$ 84,202	\$ 621,404	\$ 772,607
\$ -	\$ 283,191	\$ 694	\$ -	\$ 3,559	\$ 3,430	\$ 1,410	\$ -
-	-	-	-	-	-	-	-
-	253,947	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	111,601	32,116	-	-	-	-
-	-	-	-	-	-	-	-
-	537,138	112,295	32,116	3,559	3,430	1,410	-
-	-	-	-	15,262	18,000	235,029	705,100
-	-	-	-	15,262	18,000	235,029	705,100
-	537,138	112,295	32,116	18,821	21,430	236,439	705,100
44,681	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	67,507
-	3,154,532	-	-	-	-	-	-
-	-	-	-	42,033	62,772	384,965	-
-	-	-	-	-	-	-	-
-	-	(24,674)	(29,254)	-	-	-	-
44,681	3,154,532	(24,674)	(29,254)	42,033	62,772	384,965	67,507
\$ 44,681	\$ 3,691,670	\$ 87,621	\$ 2,862	\$ 60,854	\$ 84,202	\$ 621,404	\$ 772,607

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (Continued)

December 31, 2015

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 105,226	\$ 12,848	\$ 1,108,716	\$ 7,561,571
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	435,912	641,812	78,094	-	2,129,209
Accounts	-	-	-	2,425	99,738
<b>TOTAL ASSETS</b>	<b>\$ 435,912</b>	<b>\$ 747,038</b>	<b>\$ 90,942</b>	<b>\$ 1,111,141</b>	<b>\$ 9,790,518</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 257,430	\$ 622,138
Contractors' payable	-	-	-	-	-
Other payables	-	-	-	-	253,947
Unearned revenue	-	-	-	7,500	137,500
Due to other funds	153,518	-	-	610	297,845
Advances from other funds	-	-	266,881	-	266,881
Total liabilities	153,518	-	266,881	265,540	1,578,311
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	435,912	641,812	78,094	-	2,129,209
Total deferred inflows of resources	435,912	641,812	78,094	-	2,129,209
Total liabilities and deferred inflows of resources	589,430	641,812	344,975	265,540	3,707,520
<b>FUND BALANCES</b>					
Restricted					
Public safety	-	-	-	-	304,605
Highways and streets	-	-	-	-	1,577,236
Debt service	-	105,226	-	-	172,733
Community development	-	-	-	-	3,154,532
Special service areas	-	-	-	-	489,770
Unrestricted					
Assigned					
Capital improvements	-	-	-	845,601	845,601
Unassigned (deficit)	(153,518)	-	(254,033)	-	(461,479)
Total fund balances (deficit)	(153,518)	105,226	(254,033)	845,601	6,082,998
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 435,912</b>	<b>\$ 747,038</b>	<b>\$ 90,942</b>	<b>\$ 1,111,141</b>	<b>\$ 9,790,518</b>

(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 December 31, 2015

	Special Revenue			
	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 116,544	\$ -	\$ -	\$ -
Video gaming tax	-	110,406	-	-
Foreign fire insurance tax	-	-	-	-
Intergovernmental				
Personal property replacement taxes	490	-	-	-
Grants	-	500,000	-	-
Other intergovernmental	-	-	-	-
Licenses and permits	-	15,000	-	-
Fines and forfeits	-	-	61,967	-
Investment income	404	218	53	-
Miscellaneous	-	-	-	-
	117,438	625,624	62,020	-
<b>EXPENDITURES</b>				
Current				
Community development	-	-	26,812	-
Highways and streets	69,717	-	-	-
Capital outlay	56,036	45,897	-	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
	125,753	45,897	26,812	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,315)	579,727	35,208	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
	-	-	-	-
NET CHANGE IN FUND BALANCES	(8,315)	579,727	35,208	-
FUND BALANCES (DEFICIT), JANUARY 1	934,614	71,210	223,237	1,479
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>	<b>\$ 926,299</b>	<b>\$ 650,937</b>	<b>\$ 258,445</b>	<b>\$ 1,479</b>

Special Revenue							Debt Service
Foreign Fire Insurance Tax	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ -	\$ 1,848,280	\$ -	\$ 6,569	\$ 15,088	\$ 15,419	\$ 241,993	\$ 606,539
-	-	-	-	-	-	-	-
38,360	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	161,116
-	-	-	-	-	-	-	-
-	2,025	-	1	20	29	157	90
332	97,186	-	-	-	-	-	-
38,692	1,947,491	-	6,570	15,108	15,448	242,150	767,745
-	811,579	2,410	23,799	17,254	26,659	87,242	-
-	-	-	-	-	-	-	-
36,357	7,983	-	-	-	101	55,765	-
-	-	-	-	-	-	-	295,000
-	-	-	-	-	-	-	495,248
-	-	-	-	-	-	-	1,049
36,357	819,562	2,410	23,799	17,254	26,760	143,007	791,297
2,335	1,127,929	(2,410)	(17,229)	(2,146)	(11,312)	99,143	(23,552)
20,708	-	-	-	-	-	-	-
20,708	-	-	-	-	-	-	-
23,043	1,127,929	(2,410)	(17,229)	(2,146)	(11,312)	99,143	(23,552)
21,638	2,026,603	(22,264)	(12,025)	44,179	74,084	285,822	91,059
\$ 44,681	\$ 3,154,532	\$ (24,674)	\$ (29,254)	\$ 42,033	\$ 62,772	\$ 384,965	\$ 67,507

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

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

For the Year Ended December 31, 2015

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
<b>REVENUES</b>					
Taxes					
Property taxes	\$ 336,935	\$ 638,932	\$ 72,815	\$ -	\$ 3,899,114
Video gaming tax	-	-	-	-	110,406
Foreign fire insurance tax	-	-	-	-	38,360
Intergovernmental					
Personal property replacement taxes	-	-	-	-	490
Grants	-	-	-	85,475	585,475
Other intergovernmental	96,105	-	-	-	257,221
Licenses and permits	-	-	-	-	15,000
Fines and forfeits	-	-	-	-	61,967
Investment income	27	110	22	84	3,240
Miscellaneous	-	-	-	3,635	101,153
Total revenues	433,067	639,042	72,837	89,194	5,072,426
<b>EXPENDITURES</b>					
Current					
Community development	-	-	-	-	995,755
Highways and streets	-	-	-	-	69,717
Capital outlay	-	-	-	1,026,889	1,229,028
Debt service					
Principal retirement	150,000	500,000	-	-	945,000
Interest	295,413	146,813	16,132	-	953,606
Fiscal charges	2,106	801	-	-	3,956
Total expenditures	447,519	647,614	16,132	1,026,889	4,197,062
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,452)	(8,572)	56,705	(937,695)	875,364
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	1,410,094	1,430,802
Total other financing sources (uses)	-	-	-	1,410,094	1,430,802
NET CHANGE IN FUND BALANCES	(14,452)	(8,572)	56,705	472,399	2,306,166
FUND BALANCES (DEFICIT), JANUARY 1	(139,066)	113,798	(310,738)	373,202	3,776,832
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>	<b>\$ (153,518)</b>	<b>\$ 105,226</b>	<b>\$ (254,033)</b>	<b>\$ 845,601</b>	<b>\$ 6,082,998</b>

(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 December 31, 2015

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 120,000	\$ 120,000	\$ 116,544
Intergovernmental			
Personal property replacement taxes	2,000	2,000	490
Investment income	2,450	2,450	404
	<hr/>		
Total revenues	124,450	124,450	117,438
	<hr/>		
<b>EXPENDITURES</b>			
Current			
Highways and streets	335,000	335,000	69,717
Capital outlay	30,000	30,000	56,036
	<hr/>		
Total expenditures	365,000	365,000	125,753
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (240,550)</u>	<u>\$ (240,550)</u>	(8,315)
FUND BALANCE, JANUARY 1			<u>934,614</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 926,299</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MWRD FIELDS FUND

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

For the Year Ended December 31, 2015

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Video gaming	\$ 51,950	\$ 51,950	\$ 110,406
Licenses and permits	10,000	10,000	15,000
Grants	-	-	500,000
Investment income	-	-	218
	<hr/>	<hr/>	<hr/>
Total revenues	61,950	61,950	625,624
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Capital outlay	96,500	96,500	45,897
	<hr/>	<hr/>	<hr/>
Total expenditures	96,500	96,500	45,897
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (34,550)</u>	<u>\$ (34,550)</u>	579,727
FUND BALANCE, JANUARY 1			<hr/> 71,210
<b>FUND BALANCE, DECEMBER 31</b>			<u><hr/>\$ 650,937</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATE RESTRICTED FUND

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Fines and forfeits			
DUI fines	\$ -	\$ -	\$ 24,119
Traffic court supervision	-	-	16,384
Violent Offender Registration Fee	-	-	20
Drug forfeiture	-	-	20,307
Fees	-	-	1,137
Investment income	-	-	53
	<hr/>		
Total revenues	-	-	62,020
	<hr/>		
<b>EXPENDITURES</b>			
Current			
Contractual services	30,850	30,850	26,812
	<hr/>		
Total expenditures	30,850	30,850	26,812
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (30,850)	\$ (30,850)	35,208
	<hr/>		
FUND BALANCE, JANUARY 1			223,237
	<hr/>		
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 258,445</b>
	<hr/>		

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**FEDERAL RESTRICTED FUND**

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
None	-	-	-
Total expenditures	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-
<b>FUND BALANCE, JANUARY 1</b>			<u>1,479</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,479</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FOREIGN FIRE INSURANCE TAX FUND

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Foreign fire insurance tax	\$ -	\$ -	\$ 38,360
Miscellaneous	-	-	332
Total revenues	-	-	38,692
<b>EXPENDITURES</b>			
Capital outlay	-	36,507	36,357
Total expenditures	-	36,507	36,357
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(36,507)	2,335
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	20,708
Total other financing sources (uses)	-	-	20,708
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (36,507)</u>	23,043
FUND BALANCE, JANUARY 1			<u>21,638</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 44,681</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 1,437,048	\$ 1,437,048	\$ 1,848,280
Investment income	1,000	1,000	2,025
Miscellaneous	-	-	97,186
			<hr/>
Total revenues	1,438,048	1,438,048	1,947,491
			<hr/>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	542,652	542,652	811,579
Capital outlay	2,270,000	2,270,000	7,983
			<hr/>
Total expenditures	2,812,652	2,812,652	819,562
			<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (1,374,604)</u>	<u>\$ (1,374,604)</u>	1,127,929
FUND BALANCE, JANUARY 1			<hr/> 2,026,603
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 3,154,532</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**TAX INCREMENT FINANCING #4 FUND**

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	80,000	80,000	2,410
Total expenditures	80,000	80,000	2,410
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>(2,410)</b>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>			<b>(22,264)</b>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<b>\$ (24,674)</b>

(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 December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 4,420	\$ 4,420	\$ 6,569
Investment income	-	-	1
Total revenues	<u>4,420</u>	<u>4,420</u>	<u>6,570</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	<u>45,000</u>	<u>45,000</u>	<u>23,799</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>23,799</u>
NET CHANGE IN FUND BALANCE	<u>\$ (40,580)</u>	<u>\$ (40,580)</u>	(17,229)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(12,025)</u>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u><u>\$ (29,254)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 14,815	\$ 14,815	\$ 15,088
Investment income	100	100	20
Total revenues	<u>14,915</u>	<u>14,915</u>	<u>15,108</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services			
Equipment rentals	<u>14,815</u>	<u>19,815</u>	<u>17,254</u>
Total expenditures	<u>14,815</u>	<u>19,815</u>	<u>17,254</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ (4,900)</u>	(2,146)
FUND BALANCE, JANUARY 1			<u>44,179</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 42,033</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 December 31, 2015

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 18,000	\$ 18,000	\$ 15,419
Investment income	100	100	29
Total revenues	<u>18,100</u>	<u>18,100</u>	<u>15,448</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services	18,000	27,000	26,659
Capital outlay	-	-	101
Total expenditures	<u>18,000</u>	<u>27,000</u>	<u>26,760</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ (8,900)</u>	(11,312)
FUND BALANCE, JANUARY 1			<u>74,084</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 62,772</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 December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 272,800	\$ 272,800	\$ 241,993
Investment income	100	100	157
Total revenues	<u>272,900</u>	<u>272,900</u>	<u>242,150</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	72,800	72,800	87,242
Capital outlay	200,000	200,000	55,765
Total expenditures	<u>272,800</u>	<u>272,800</u>	<u>143,007</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ 100</u>	99,143
FUND BALANCE, JANUARY 1			<u>285,822</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 384,965</u></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 December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 790,248	\$ 790,248	\$ 606,539
Intergovernmental	-	-	161,116
Investment income	100	100	90
Total revenues	<u>790,348</u>	<u>790,348</u>	<u>767,745</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	295,000	295,000	295,000
Interest	495,248	495,248	495,248
Fiscal charge	500	1,055	1,049
Total expenditures	<u>790,748</u>	<u>791,303</u>	<u>791,297</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (400)</u>	<u>\$ (955)</u>	<u>(23,552)</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>91,059</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 67,507</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

GENERAL OBLIGATION BOND SERIES OF 2010A FUND

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

For the Year Ended December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 445,412	\$ 445,412	\$ 336,935
Intergovernmental	-	-	96,105
Investment income	100	100	27
Total revenues	445,512	445,512	433,067
<b>EXPENDITURES</b>			
Debt service			
Principal	150,000	150,000	150,000
Interest	295,412	295,412	295,413
Fiscal charge	500	2,200	2,106
Total expenditures	445,912	447,612	447,519
NET CHANGE IN FUND BALANCE	\$ (400)	\$ (2,100)	(14,452)
FUND BALANCE (DEFICIT), JANUARY 1			(139,066)
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<b>\$ (153,518)</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**GENERAL OBLIGATION BOND SERIES OF 2011 FUND**

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

For the Year Ended December 31, 2015

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 646,825	\$ 646,825	\$ 638,932
Investment income	100	100	110
Total revenues	<u>646,925</u>	<u>646,925</u>	<u>639,042</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	500,000	500,000	500,000
Interest	146,812	146,812	146,813
Fiscal charge	100	805	801
Total expenditures	<u>646,912</u>	<u>647,617</u>	<u>647,614</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13</u>	<u>\$ (692)</u>	<u>(8,572)</u>
FUND BALANCE, JANUARY 1			<u>113,798</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 105,226</u></u>

(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 December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 75,775	\$ 75,775	\$ 72,815
Investment income	-	-	22
	<hr/>	<hr/>	<hr/>
Total revenues	75,775	75,775	72,837
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Community development			
Contractual services	5,000	5,000	-
Debt service			
Interest	-	-	16,132
	<hr/>	<hr/>	<hr/>
Total expenditures	5,000	5,000	16,132
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,775	70,775	56,705
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(42,800)	(42,800)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(42,800)	(42,800)	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 27,975	\$ 27,975	56,705
	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), JANUARY 1			(310,738)
			<hr/>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u>\$ (254,033)</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 December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Investment income	\$ -	\$ -	\$ 84
Grants	-	-	85,475
Miscellaneous	-	-	3,635
Total revenues	-	-	89,194
<b>EXPENDITURES</b>			
Capital outlay			
Buildings	355,000	355,000	301,843
Other improvements	445,000	445,000	275,423
Office equipment	334,500	334,500	318,616
Other equipment	150,594	150,594	131,007
Total expenditures	1,285,094	1,285,094	1,026,889
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,285,094)	(1,285,094)	(937,695)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,285,094	1,285,094	1,410,094
Total other financing sources (uses)	1,285,094	1,285,094	1,410,094
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	472,399
FUND BALANCE, JANUARY 1			<u>373,202</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 845,601</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. This property was purchased using TIF #3 funding. Any profits realized at the termination of this fund will revert back to TIF #3.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**WATERWORKS AND SEWERAGE FUND**

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

For the Year December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Water sales	\$ 8,704,400	\$ 8,704,400	\$ 7,467,200
Sewer service	2,799,490	2,799,490	2,716,760
Water penalties	197,039	197,039	213,846
Water tap-on fees	14,200	14,200	3,921
Meter sales	1,200	1,200	2,812
Miscellaneous	171,150	171,150	344,945
	<hr/>	<hr/>	<hr/>
Total operating revenues	11,887,479	11,887,479	10,749,484
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Administration			
Personal services	1,920,264	1,920,264	1,152,225
Commodities	24,985	24,985	7,426
Contractual services	526,556	526,556	518,517
Operations - water			
Personal services	882,991	882,991	791,772
Commodities	107,432	107,432	88,997
Contractual services	4,580,371	4,580,371	5,720,213
Capital outlay	500,000	500,000	523,415
Operations - sewer			
Personal services	956,556	956,556	869,987
Commodities	96,084	96,084	72,906
Contractual services	1,026,037	1,026,037	798,931
Capital outlay	585,000	585,000	322,062
Debt service			
Principal	340,444	340,444	337,186
	<hr/>	<hr/>	<hr/>
Total operating expenses excluding depreciation	11,546,720	11,546,720	11,203,637
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	340,759	340,759	(454,153)
<b>DEPRECIATION</b>	<hr/>	<hr/>	<hr/>
	1,014,213	1,014,213	927,480
OPERATING INCOME (LOSS)	<hr/>	<hr/>	<hr/>
	(673,454)	(673,454)	(1,381,633)

(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 December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 8,700	\$ 8,700	\$ (241)
Infrastructure surcharge	3,000	3,000	1,546,822
Interest expense	(23,585)	(23,585)	(20,114)
Total non-operating revenues (expenses)	(11,885)	(11,885)	1,526,467
INCOME (LOSS) BEFORE TRANSFERS	(685,339)	(685,339)	144,834
<b>TRANSFERS</b>			
Transfers (out)	(125,250)	(125,250)	(125,000)
Total transfers	(125,250)	(125,250)	(125,000)
NET INCOME (LOSS) - BUDGET BASIS	(810,589)	(810,589)	19,834
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized	-	-	475,919
Principal paid	-	-	337,186
Total adjustments to GAAP basis	-	-	813,105
CHANGE IN NET POSITION	<u>\$ (810,589)</u>	<u>\$ (810,589)</u>	832,939
NET POSITION, JANUARY 1			30,294,143
Change in accounting principle			<u>(1,409,435)</u>
NET POSITION, JANUARY 1, RESTATED			<u>28,884,708</u>
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 29,717,647</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 December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Rental income	\$ 699,000	\$ 699,000	\$ 610,118
Other	40,550	40,550	33,423
Total operating revenues	<u>739,550</u>	<u>739,550</u>	<u>643,541</u>
<b>OPERATING EXPENSES</b>			
Operations			
Commodities	-	-	8
Contractual services	837,667	837,667	496,715
Capital maintenance	12,500	12,500	97,186
Depreciation	20,000	20,000	-
Total operating expenses	<u>870,167</u>	<u>870,167</u>	<u>593,909</u>
OPERATING INCOME (LOSS)	<u>(130,617)</u>	<u>(130,617)</u>	<u>49,632</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	120	120	106
Total non-operating revenues (expenses)	<u>120</u>	<u>120</u>	<u>106</u>
<b>TRANSFERS</b>			
Transfer (out)	-	-	(4,279,281)
Total transfers	<u>-</u>	<u>-</u>	<u>(4,279,281)</u>
CHANGE IN NET POSITION	<u>\$ (130,497)</u>	<u>\$ (130,497)</u>	<u>(4,229,543)</u>
NET POSITION, JANUARY 1			<u>4,229,543</u>
NET POSITION, DECEMBER 31			<u>\$ -</u>

(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 December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 342,415	\$ 342,415	\$ 389,405
Total operating revenues	<u>342,415</u>	<u>342,415</u>	<u>389,405</u>
<b>OPERATING EXPENSES</b>			
Operations			
Personal services	169,947	169,947	172,082
Commodities	11,944	11,944	7,547
Contractual services	110,465	110,465	113,522
Capital outlay	50,000	50,000	36,668
Depreciation	47,000	47,000	43,656
Total operating expenses	<u>389,356</u>	<u>389,356</u>	<u>373,475</u>
OPERATING INCOME (LOSS)	<u>(46,941)</u>	<u>(46,941)</u>	<u>15,930</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	120	120	(67)
Total non-operating revenues (expenses)	<u>120</u>	<u>120</u>	<u>(67)</u>
CHANGE IN NET POSITION	<u>\$ (46,821)</u>	<u>\$ (46,821)</u>	15,863
NET POSITION, JANUARY 1			2,530,689
Change in accounting principle			(78,136)
NET POSITION, JANUARY 1, RESTATED			<u>2,452,553</u>
<b>NET POSITION, DECEMBER 31</b>			<u><u>\$ 2,468,416</u></u>

(See independent auditor's report.)

## **INTERNAL SERVICE FUND**

Central Equipment Fund - This 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.

IT Equipment Replacement Fund - This fund is used to account for the purchase of computer equipment for 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

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2015

	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 5,759,126	\$ 300,000	\$ 6,059,126
Receivables			
Accrued interest	7,428	-	7,428
Total current assets	5,766,554	300,000	6,066,554
<b>CAPITAL ASSETS</b>			
Depreciable, net of accumulated depreciation	3,123,032	-	3,123,032
Net capital assets	3,123,032	-	3,123,032
Total assets	8,889,586	300,000	9,189,586
<b>CURRENT LIABILITIES</b>			
Accounts payable	258,983	-	258,983
Total current liabilities	258,983	-	258,983
<b>LONG-TERM LIABILITIES</b>			
None	-	-	-
Total long-term liabilities	-	-	-
Total liabilities	258,983	-	258,983
<b>NET POSITION</b>			
Invested in capital assets	3,123,032	-	3,123,032
Unrestricted	5,507,571	300,000	5,807,571
<b>TOTAL NET POSITION</b>	<b>\$ 8,630,603</b>	<b>\$ 300,000</b>	<b>\$ 8,930,603</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2015

	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,212,299	\$ -	\$ 1,212,299
Total operating revenues	1,212,299	-	1,212,299
<b>OPERATING EXPENSES</b>			
Depreciation	537,699	-	537,699
Total operating expenses	537,699	-	537,699
OPERATING INCOME (LOSS)	674,600	-	674,600
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	13,751	-	13,751
Gain on disposal of capital assets	14,899	-	14,899
Total nonoperating revenues (expenses)	28,650	-	28,650
NET INCOME (LOSS) BEFORE TRANSFERS	703,250	-	703,250
<b>TRANSFERS</b>			
Transfers in	-	300,000	300,000
Total transfers	-	300,000	300,000
CHANGE IN NET POSITION	703,250	300,000	1,003,250
NET POSITION, MAY 1	7,927,353	-	7,927,353
<b>NET POSITION, APRIL 30</b>	<b>\$ 8,630,603</b>	<b>\$ 300,000</b>	<b>\$ 8,930,603</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

	<u>Central Equipment</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services	\$ 1,212,299	\$ -	\$ 1,212,299
Payments to suppliers	4,222	-	4,222
Net cash from operating activities	<u>1,216,521</u>	<u>-</u>	<u>1,216,521</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net cash from noncapital financing activities	<u>-</u>	<u>300,000</u>	<u>300,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	(706,876)	-	(706,876)
Proceeds from sale of capital assets	14,899	-	14,899
Net cash from capital and related financing activities	<u>(691,977)</u>	<u>-</u>	<u>(691,977)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	708,426	-	708,426
Interest received	10,396	-	10,396
Net cash from investing activities	<u>718,822</u>	<u>-</u>	<u>718,822</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,243,366	300,000	1,543,366
CASH AND CASH EQUIVALENTS, MAY 1	<u>4,515,760</u>	<u>-</u>	<u>4,515,760</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u>\$ 5,759,126</u>	<u>\$ 300,000</u>	<u>\$ 6,059,126</u>

(This schedule is continued on the following page.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS (Continued)**

For the Year Ended December 31, 2015

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	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 674,600	\$ -	\$ 674,600
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	537,699	-	537,699
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,212,299</b>	<b>\$ -</b>	<b>\$ 1,212,299</b>
<b>CASH AND INVESTMENTS</b>			
Cash and cash equivalents	\$ 5,759,126	\$ 300,000	\$ 6,059,126
Investments	-	-	-
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 5,759,126</b>	<b>\$ 300,000</b>	<b>\$ 6,059,126</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

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

For the Year Ended December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Interfund services	\$ 1,209,069	\$ 1,209,069	\$ 1,212,299
Total operating revenues	1,209,069	1,209,069	1,212,299
<b>OPERATING EXPENSES</b>			
Capital outlay	1,612,000	1,612,000	615,600
Total operating expenses	1,612,000	1,612,000	615,600
OPERATING INCOME	(402,931)	(402,931)	596,699
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	5,800	5,800	13,751
Gain on disposal of capital assets	-	-	14,899
Total non-operating revenues (expenses)	5,800	5,800	28,650
NET INCOME - BUDGET BASIS	(397,131)	(397,131)	625,349
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized	-	-	615,600
Depreciation	-	-	(537,699)
Total adjustments to GAAP basis	-	-	77,901
CHANGE IN NET POSITION	\$ (397,131)	\$ (397,131)	703,250
NET POSITION, JANUARY 1			7,927,353
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 8,630,603</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

IT EQUIPMENT REPLACEMENT FUND

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

For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
None			
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
None			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>300,000</u>
FUND BALANCE, JANUARY 1			<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 300,000</u></u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2015

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	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 541,257	\$ 806,956	\$ 1,348,213
Investments			
U.S. Government and agency obligations	11,182,502	6,102,020	17,284,522
Money market mutual funds	159,155	102,987	262,142
Mutual funds	15,205,534	8,405,359	23,610,893
Illinois Metropolitan Investment Fund	10	45,298	45,308
Receivables			
Accrued interest	51,417	29,471	80,888
Due from Village	160	-	160
Prepaid items	3,406	-	3,406
Total assets	27,143,441	15,492,091	42,635,532
<b>LIABILITIES</b>			
Accounts payable	7,436	4,736	12,172
Total liabilities	7,436	4,736	12,172
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 27,136,005</b>	<b>\$ 15,487,355</b>	<b>\$ 42,623,360</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended December 31, 2015

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 2,078,956	\$ 1,164,625	\$ 3,243,581
Employee contributions	510,565	293,937	804,502
Total contributions	<u>2,589,521</u>	<u>1,458,562</u>	<u>4,048,083</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	(575,922)	(329,724)	(905,646)
Interest	134,356	64,346	198,702
Total investment income	<u>(441,566)</u>	<u>(265,378)</u>	<u>(706,944)</u>
Less investment expense	(50,795)	(29,645)	(80,440)
Net investment income	<u>(492,361)</u>	<u>(295,023)</u>	<u>(787,384)</u>
Total additions	<u>2,097,160</u>	<u>1,163,539</u>	<u>3,260,699</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,952,464	975,580	2,928,044
Administrative expenses	29,889	25,611	55,500
Total deductions	<u>1,982,353</u>	<u>1,001,191</u>	<u>2,983,544</u>
NET INCREASE	114,807	162,348	277,155
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	<u>27,021,198</u>	<u>15,325,007</u>	<u>42,346,205</u>
December 31	<u>\$ 27,136,005</u>	<u>\$ 15,487,355</u>	<u>\$ 42,623,360</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**POLICE PENSION FUND**

**SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For Year Ended December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 2,078,959	\$ 2,078,959	\$ 2,078,956
Employee contributions	325,000	325,000	510,565
	<hr/>	<hr/>	<hr/>
Total contributions	2,403,959	2,403,959	2,589,521
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation (depreciation) in fair value of investments	-	-	(575,922)
Interest	1,250,000	1,250,000	134,356
	<hr/>	<hr/>	<hr/>
Total investment income (loss)	1,250,000	1,250,000	(441,566)
Less investment expense	(54,000)	(54,000)	(50,795)
	<hr/>	<hr/>	<hr/>
Net investment income (loss)	1,196,000	1,196,000	(492,361)
	<hr/>	<hr/>	<hr/>
Total additions	3,599,959	3,599,959	2,097,160
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,839,456	1,949,456	1,952,464
Administrative expenses	40,900	40,900	29,889
	<hr/>	<hr/>	<hr/>
Total deductions	1,880,356	1,990,356	1,982,353
	<hr/>	<hr/>	<hr/>
NET INCREASE	<u>\$ 1,719,603</u>	<u>\$ 1,609,603</u>	114,807
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1			<hr/> 27,021,198
December 31			<hr/> <u>\$ 27,136,005</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 December 31, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 1,164,622	\$ 1,164,622	\$ 1,164,625
Employee contributions	185,000	185,000	293,937
Total contributions	<u>1,349,622</u>	<u>1,349,622</u>	<u>1,458,562</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	850,000	850,000	(329,724)
Interest	175,000	175,000	64,346
Total investment income (loss)	<u>1,025,000</u>	<u>1,025,000</u>	<u>(265,378)</u>
Less investment expense	<u>(34,000)</u>	<u>(34,000)</u>	<u>(29,645)</u>
Net investment income (loss)	<u>991,000</u>	<u>991,000</u>	<u>(295,023)</u>
Total additions	<u>2,340,622</u>	<u>2,340,622</u>	<u>1,163,539</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	934,656	968,656	975,580
Administrative expenses	38,050	38,050	25,611
Total deductions	<u>972,706</u>	<u>1,006,706</u>	<u>1,001,191</u>
NET INCREASE	<u>\$ 1,367,916</u>	<u>\$ 1,333,916</u>	162,348
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1			<u>15,325,007</u>
December 31			<u>\$ 15,487,355</u>

(See independent auditor's report.)

**OTHER SUPPLEMENTAL INFORMATION**

**VILLAGE OF HANOVER PARK, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2010

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 8,850,000</u>	<u>\$ 4,890,492</u>	<u>\$ 13,740,492</u>		<u>\$ 2,445,246</u>		<u>\$ 2,445,246</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 4,700,000</u>	<u>\$ 3,218,916</u>	<u>\$ 7,918,916</u>		<u>\$ 1,609,457</u>		<u>\$ 1,609,459</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2015	\$ 505,000	\$ 136,812	\$ 641,812	2016	\$ 68,406	2016	\$ 68,406
2016	520,000	126,712	646,712	2017	63,356	2017	63,356
2017	535,000	116,312	651,312	2018	58,156	2018	58,156
2018	545,000	104,277	649,277	2019	52,138	2019	52,139
2019	565,000	90,650	655,650	2020	45,325	2020	45,325
2020	580,000	75,114	655,114	2021	37,557	2021	37,557
2021	600,000	57,712	657,712	2022	28,856	2022	28,856
2022	625,000	39,712	664,712	2023	19,856	2023	19,856
2023	645,000	20,962	665,962	2024	10,481	2024	10,481
	<u>\$ 5,120,000</u>	<u>\$ 768,263</u>	<u>\$ 5,888,263</u>		<u>\$ 384,131</u>		<u>\$ 384,132</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

December 31, 2015

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**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Interest Due on</b>			
				<b>April 9</b>	<b>Amount</b>	<b>October 9</b>	<b>Amount</b>
2016	\$ 238,032	\$ 11,762	\$ 249,794	2016	\$ 5,061	2015	\$ 3,397
2017	121,535	1,710	123,245	2017	1,710	2016	-
	<u>\$ 359,567</u>	<u>\$ 13,472</u>	<u>\$ 373,039</u>		<u>\$ 6,771</u>		<u>\$ 3,397</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
2000 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Total	Interest Due on			
				July 1	Amount	January 1	Amount
2016	\$ 108,509	\$ 9,029	\$ 117,538	2016	\$ 4,868	2016	\$ 4,161
2017	111,376	6,162	117,538	2017	3,444	2017	2,718
2018	114,319	3,219	117,538	2018	1,982	2018	1,237
2019	36,694	482	37,176	2019	482	2019	-
	<u>\$ 370,898</u>	<u>\$ 18,892</u>	<u>\$ 389,790</u>		<u>\$ 10,776</u>		<u>\$ 8,116</u>

(See independent auditor's report.)

## STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	136-145
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	146-155
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.	156-159
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.	160-161
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.	162-165

*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

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 43,282,520	\$ 44,085,337	\$ 45,392,922	\$ 44,420,879
Restricted	9,405,061	9,146,860	8,570,110	7,078,776
Unrestricted	8,575,116	12,336,999	14,230,151	18,596,124
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 61,262,697</b>	<b>\$ 65,569,196</b>	<b>\$ 68,193,183</b>	<b>\$ 70,095,779</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 21,978,529	\$ 22,593,334	\$ 23,024,852	\$ 23,062,850
Restricted	-	-	-	-
Unrestricted	7,590,332	8,033,586	7,287,097	6,988,149
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 29,568,861</b>	<b>\$ 30,626,920</b>	<b>\$ 30,311,949</b>	<b>\$ 30,050,999</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 66,678,671	\$ 68,417,774	\$ 67,483,729	\$ 67,943,665
Restricted	9,146,860	8,570,110	7,078,776	13,664,072
Unrestricted	20,370,585	21,517,248	25,584,273	19,298,748
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 96,196,116</b>	<b>\$ 98,505,132</b>	<b>\$ 100,146,778</b>	<b>\$ 100,906,485</b>

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

\*\* The Village implemented GASB 68 for year ended December 31, 2015

Data Source

Audited Financial Statements

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015**</b>
\$	44,389,269	\$ 45,248,341	\$ 48,546,851	\$ 48,743,363	\$ 49,462,602	\$ 50,362,373
	13,664,072	5,048,350	4,829,701	5,294,935	4,835,944	6,932,172
	13,059,714	15,514,984	11,779,582	14,654,715	17,292,137	(14,151,561)
\$	71,113,055	\$ 65,811,675	\$ 65,156,134	\$ 68,693,013	\$ 71,590,683	\$ 43,142,984
\$	23,554,396	\$ 26,694,874	\$ 27,371,016	\$ 26,941,735	\$ 28,088,831	\$ 23,651,515
	-	13,644.0	-	-	-	-
	6,239,034	6,277,037	7,296,568	8,581,691	8,965,544	8,534,548
\$	29,793,430	\$ 32,985,555	\$ 34,667,584	\$ 35,523,426	\$ 37,054,375	\$ 32,186,063
\$	67,943,665	\$ 75,917,867	\$ 75,917,867	\$ 75,685,098	\$ 77,551,433	\$ 74,013,888
	13,664,072	4,829,701	4,829,701	5,294,935	4,835,944	6,932,172
	19,298,748	19,076,150	19,076,150	23,236,406	26,257,681	(5,617,013)
\$	100,906,485	\$ 99,823,718	\$ 99,823,718	\$ 104,216,439	\$ 108,645,058	\$ 75,329,047

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 2,995,293	\$ 3,170,869	\$ 3,673,924	\$ 3,208,066
Public works	3,123,131	4,053,485	3,644,764	4,718,013
Public safety	12,112,702	13,823,930	15,252,239	15,805,836
Community development	1,745,000	3,957,924	1,432,745	1,608,453
Highways and streets	1,899,180	2,200,904	2,412,849	2,019,122
Interest	791,433	690,844	570,923	517,780
Total governmental activities expenses	<u>22,666,739</u>	<u>27,897,956</u>	<u>26,987,444</u>	<u>27,877,270</u>
Business-type activities				
Water and sewer	7,292,161	7,367,849	7,667,569	7,847,111
Parking	329,848	353,128	348,435	329,761
Hanover Square	-	-	-	-
Total business-type activities expenses	<u>7,622,009</u>	<u>7,720,977</u>	<u>8,016,004</u>	<u>8,176,872</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 30,288,748</u>	<u>\$ 35,618,933</u>	<u>\$ 35,003,448</u>	<u>\$ 36,054,142</u>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 855,148	\$ 836,179	\$ 837,821	\$ 909,723
Public safety	1,732,822	1,386,053	1,661,190	1,607,603
Community development	292,135	243,066	134,915	331,637
Public works	-	-	-	-
Operating grants and contributions	1,228,520	1,230,772	1,121,001	1,032,614
Capital grants and contributions	76,798	1,438,909	-	-
Total governmental activities program revenues	<u>4,185,423</u>	<u>5,134,979</u>	<u>3,754,927</u>	<u>3,881,577</u>
Business-type activities				
Charges for services				
Water and sewer	7,549,899	7,242,681	7,191,418	7,588,046
Parking	277,673	291,960	296,545	272,798
Hanover Square	-	-	-	-
Capital grants and contributions	-	827,377	-	-
Total business-type activities program revenues	<u>7,827,572</u>	<u>8,362,018</u>	<u>7,487,963</u>	<u>7,860,844</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 12,012,995</u>	<u>\$ 13,496,997</u>	<u>\$ 11,242,890</u>	<u>\$ 11,742,421</u>

	2011	2012	2013	2014	2014*	2015**
\$	4,618,393	\$ 4,634,174	\$ 4,988,649	\$ 4,297,802	\$ 2,111,972	\$ 4,114,698
	1,085,698	5,183,573	4,070,954	4,211,656	2,876,529	3,706,168
	17,146,057	15,473,122	18,014,749	18,224,677	12,928,235	19,447,414
	5,160,147	8,971,096	711,260	681,395	1,858,421	4,022,556
	1,582,651	1,499,979	3,946,982	3,522,824	2,276,624	1,917,673
	906,055	1,041,142	1,054,210	1,076,381	976,489	646,489
	30,499,001	36,803,086	32,786,804	32,014,735	23,028,270	33,854,998
	8,044,254	8,443,812	8,976,177	9,998,473	7,265,389	11,338,126
	336,895	309,014	280,836	387,584	202,907	373,475
	-	230,810	694,736	694,530	524,861	593,909
	8,381,149	8,983,636	9,951,749	11,080,587	7,993,157	12,305,510
\$	38,880,150	\$ 45,786,722	\$ 42,738,553	\$ 43,095,322	\$ 31,021,427	\$ 46,160,508
\$	1,085,427	\$ 1,106,938	\$ 1,157,752	\$ 1,212,828	\$ 769,081	\$ 1,125,855
	1,732,022	1,969,673	2,045,438	1,989,029	1,286,735	1,894,715
	15,800	14,116	22,493	61,714	42,531	18,758
	171,931	126,584	150,684	245,355	193,819	337,246
	1,546,945	1,432,867	1,228,338	1,343,393	1,082,681	1,600,902
	543,452	475,557	318,006	266,197		258,796
	5,095,577	5,125,735	4,922,711	5,118,516	3,374,847	5,236,272
	7,965,071	8,889,712	10,210,092	11,077,306	7,089,864	10,749,484
	292,286	328,749	317,446	371,185	265,895	389,405
	-	236,916	669,670	710,703	560,678	643,541
	-	102,105	688,932	180,126	-	-
	8,257,357	9,557,482	11,886,140	12,339,320	7,916,437	11,782,430
\$	13,352,934	\$ 14,683,217	\$ 16,808,851	\$ 17,457,836	\$ 11,291,284	\$ 17,018,702

**VILLAGE OF HANOVER PARK, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>NET (EXPENSES) REVENUES</b>				
Governmental activities	\$ (18,481,316)	\$ (22,762,977)	\$ (23,232,517)	\$ (23,995,693)
Business-type activities	205,563	641,041	(528,041)	(316,028)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES</b>	<b>\$ (18,275,753)</b>	<b>\$ (22,121,936)</b>	<b>\$ (23,760,558)</b>	<b>\$ (24,311,721)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 10,313,391	\$ 10,315,338	\$ 11,819,859	\$ 13,068,529
Sales, local use	3,867,302	4,025,910	5,051,309	4,744,662
Utility	1,872,699	2,015,759	1,886,260	1,821,364
Hotel/motel	40,376	40,591	32,711	33,614
Food and beverage	1,083,296	1,101,714	1,088,047	1,047,406
Other	596,318	399,850	196,003	167,871
Intergovernmental				
Personal property replacement tax	89,869	102,976	94,052	83,336
Income	3,226,202	3,524,383	3,487,693	3,040,184
Investment income	1,450,517	1,492,471	793,552	331,555
Miscellaneous	912,304	3,975,283	1,359,699	1,548,494
Transfers	35,495	75,201	47,319	11,274
Total governmental activities	<u>23,487,769</u>	<u>27,069,476</u>	<u>25,856,504</u>	<u>25,898,289</u>
Business-type activities				
Investment income	275,851	329,724	181,599	43,133
Miscellaneous	(48,004)	162,495	78,790	23,219
Transfers	(35,495)	(75,201)	(47,319)	(11,274)
Total business-type activities	<u>192,352</u>	<u>417,018</u>	<u>213,070</u>	<u>55,078</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 23,680,121</b>	<b>\$ 27,486,494</b>	<b>\$ 26,069,574</b>	<b>\$ 25,953,367</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 5,006,453	\$ 4,306,499	\$ 2,623,987	\$ 1,902,596
Business-type activities	397,915	1,058,059	(314,971)	(260,950)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 5,404,368</b>	<b>\$ 5,364,558</b>	<b>\$ 2,309,016</b>	<b>\$ 1,641,646</b>

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

\*\* The Village implemented GASB 68 for year ended December 31, 2015

Data Source

Audited Financial Statements

2011	2012	2013	2014	2014*	2015**
\$ (25,403,424)	\$ (31,677,351)	\$ (27,864,093)	\$ (26,896,219)	\$ (19,379,137)	\$ (28,618,726)
(123,792)	573,846	1,934,391	1,258,733	(76,720)	(523,080)
\$ (25,527,216)	\$ (31,103,505)	\$ (25,929,702)	\$ (25,637,486)	\$ (19,455,857)	\$ (29,141,806)
\$ 13,130,988	\$ 14,808,277	\$ 13,110,176	\$ 13,729,431	\$ 11,423,311	\$ 15,426,633
7,561,001	7,432,314	7,394,170	9,248,795	6,792,806	10,175,081
1,750,085	1,730,990	1,621,854	1,588,171	1,219,601	1,987,557
32,979	35,281	36,686	43,687	35,800	45,939
1,072,674	1,086,568	1,018,775	1,036,661	732,613	1,134,073
223,762	298,311	225,065	302,021	422,376	532,785
92,787	83,412	82,765	94,867	51,945	93,510
2,984,408	3,096,265	3,422,147	3,700,323	2,335,241	4,040,449
150,716	71,672	106,443	153,820	58,063	61,070
78,619	113,146	99,397	113,527	215,566	(1,571,337)
163,219	(2,605,806)	315,418	421,795	(1,010,515)	4,404,281
27,241,238	26,150,430	27,432,896	30,433,098	22,276,807	36,330,041
19,723	8,996	10,825	8,476	11,102	(202)
9,719	3,477	52,231	10,428	586,052	1,546,822
(163,219)	2,605,806	(315,418)	(421,795)	1,010,515	(4,404,281)
(133,777)	2,618,279	(252,362)	(402,891)	1,607,669	(2,857,661)
\$ 27,107,461	\$ 28,768,709	\$ 27,180,534	\$ 30,030,207	\$ 23,884,476	\$ 33,472,380
\$ 1,837,814	\$ (431,197)	\$ (431,197)	\$ 3,536,879	\$ 2,897,670	\$ 7,711,315
(257,569)	1,682,029	1,682,029	855,842	1,530,949	(3,380,741)
\$ 1,580,245	\$ 1,250,832	\$ 1,250,832	\$ 4,392,721	\$ 4,428,619	\$ 4,330,574

VILLAGE OF HANOVER PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010 (1)</b>
<b>GENERAL FUND</b>				
Reserved	\$ 798,214	\$ 874,984	\$ 831,732	\$ 1,072,335
Unreserved/undesignated	9,045,003	7,849,607	7,920,285	7,492,166
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 9,843,217</b>	<b>\$ 8,724,591</b>	<b>\$ 8,752,017</b>	<b>\$ 8,564,501</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 9,674,392	\$ 9,378,098	\$ 8,759,345	\$ 7,226,197
Unreserved, reported in				
Debt Service Funds	-	-	-	(44,340)
Capital Project Funds	2,454,303	3,864,443	3,500,933	15,626,848
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 12,128,695</b>	<b>\$ 13,242,541</b>	<b>\$ 12,260,278</b>	<b>\$ 22,808,705</b>

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014.

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

	2011	2012 (2)	2013	2014	2014*	2015
\$	840,075	\$ -	\$ -	\$ -	\$ -	\$ -
	7,831,351	-	-	-	-	-
	-	2,106,350	1,561,197	1,114,638	556,466	294,419
	-	136,946	134,910	134,910	-	-
	-	674,316	-	-	-	-
	-	7,099,207	8,473,882	11,611,884	14,180,226	16,326,081
<b>\$</b>	<b>8,671,426</b>	<b>\$ 10,016,819</b>	<b>\$ 10,169,989</b>	<b>\$ 12,861,432</b>	<b>\$ 14,736,692</b>	<b>\$ 16,620,500</b>
\$	22,127,853	\$ -	\$ -	\$ -	\$ -	\$ -
	(508,011)	-	-	-	-	-
	(95,629)	-	-	-	-	-
	-	332,306	-	-	-	-
	-	4,911,404	4,694,791	5,160,025	4,835,944	6,932,172
	-	518,719	273,045	124,603	373,202	845,601
	-	(388,417)	(304,265)	(438,081)	(484,093)	(461,479)
<b>\$</b>	<b>21,524,213</b>	<b>\$ 5,374,012</b>	<b>\$ 4,663,571</b>	<b>\$ 4,846,547</b>	<b>\$ 4,725,053</b>	<b>\$ 7,316,294</b>

**VILLAGE OF HANOVER PARK, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010 (1)</b>
<b>REVENUES</b>				
Taxes	\$ 17,275,302	\$ 17,362,673	\$ 19,541,574	\$ 20,429,442
Licenses and permits	871,302	839,389	774,180	1,021,353
Intergovernmental	5,119,469	5,394,620	5,235,361	4,610,138
Charges for services and fees	1,385,294	1,080,833	1,293,540	1,180,163
Fines and forfeits	608,308	528,764	550,398	630,843
Investment income	1,176,037	1,144,525	572,536	247,200
Miscellaneous	912,304	3,039,352	843,209	1,460,270
Total revenues	27,348,016	29,390,156	28,810,798	29,579,409
<b>EXPENDITURES</b>				
General government	2,854,656	2,972,390	3,501,523	3,092,878
Public works	2,769,315	3,331,597	3,263,408	3,321,777
Public safety	13,202,008	13,589,622	14,559,167	15,643,448
Community development	1,425,830	3,885,488	1,374,261	1,385,981
Highways and streets	1,693,169	1,206,230	1,720,920	1,391,323
Capital outlay	2,345,634	1,250,792	2,113,267	1,174,993
Debt service				
Principal	2,394,137	2,509,878	2,670,000	2,660,000
Interest and fiscal charges	817,385	724,140	610,408	479,372
Total expenditures	27,502,134	29,470,137	29,812,954	29,149,772
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(154,118)	(79,981)	(1,002,156)	429,637
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	-	-	10,000,000
Premiums (discounts) on debt issuance	-	-	-	(80,000)
Transfers in	788,972	2,450,815	824,320	3,814,247
Transfers (out)	(753,477)	(2,375,614)	(777,001)	(3,802,973)
Sale of property	-	-	-	-
Total other financing sources (uses)	35,495	75,201	47,319	9,931,274
<b>NET CHANGE IN FUND BALANCES</b>	\$ (118,623)	\$ (4,780)	\$ (954,837)	\$ 10,360,911
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	12.59%	12.52%	11.66%	11.57%

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014.

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

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

Data Source

Audited Financial Statements

2011	2012 (2)	2013	2014	2014*	2015
\$ 26,848,683	\$ 25,475,151	\$ 23,406,726	\$ 25,948,765	\$ 20,626,507	\$ 29,302,067
968,506	911,722	979,424	1,138,365	718,779	1,224,977
1,863,227	5,004,050	4,985,926	5,380,058	3,699,934	5,950,576
1,238,743	1,650,614	1,720,380	1,764,636	1,036,818	1,451,562
512,934	640,015	660,603	590,966	536,820	700,467
150,716	71,672	106,443	153,820	58,063	61,070
590,787	128,747	180,687	153,209	176,651	441,974
32,173,596	33,881,971	32,040,189	35,129,819	26,853,572	39,132,693
4,808,312	5,280,476	4,923,925	5,247,701	2,483,520	3,344,230
2,901,960	3,583,057	3,888,126	3,494,643	2,644,628	3,962,391
16,085,156	17,232,650	17,388,396	17,837,161	13,027,697	19,322,453
1,058,951	5,566,340	968,226	660,326	1,879,756	4,003,728
711,830	659,311	752,272	796,373	427,967	628,804
10,329,362	14,402,668	3,188,327	2,745,856	2,982,751	1,318,476
1,045,000	8,095,000	730,000	810,000	875,000	945,000
713,273	1,257,620	1,073,606	1,085,135	986,620	957,562
37,653,844	56,077,122	32,912,878	32,677,195	25,307,939	34,482,644
(5,480,248)	(22,195,151)	(872,689)	2,452,624	1,545,633	4,650,049
5,000,000	7,030,000	-	-	-	-
(40,000)	102,775	-	-	-	-
3,480,058	5,665,632	1,198,605	1,444,301	1,408,526	1,430,802
(3,316,839)	(5,633,605)	(883,187)	(1,022,506)	(1,283,276)	(1,605,802)
-	-	-	-	82,883	-
5,123,219	7,164,802	315,418	421,795	208,133	(175,000)
\$ (357,029)	\$ (15,030,349)	\$ (557,271)	\$ 2,874,419	\$ 1,753,766	\$ 4,475,049
11.01%	5.93%	25.28%	6.05%	7.51%	5.82%

**VILLAGE OF HANOVER PARK, ILLINOIS**

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE  
COOK COUNTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total</b>	<b>Railroad</b>	<b>Equalized Assessed Value</b>	<b>Total Direct Tax Rate</b>
2006	\$ 201,194,694	\$ 2,649	\$ 52,230,877	\$ 6,577,841	\$ 260,006,061	\$ -	\$ 260,006,061	1.402
2007	231,228,718	2,649	56,923,990	5,514,740	293,670,097	-	293,670,097	1.286
2008	250,690,470	2,649	58,979,875	5,454,224	315,127,218	-	315,127,218	1.183
2009	280,452,625	1,656	56,257,117	4,802,915	341,514,313	-	341,514,313	1.167
2010	254,796,416	1,656	50,647,229	5,196,458	310,641,759	-	310,641,759	1.549
2011	237,115,286	1,656	56,439,864	11,102,423	304,659,229	-	304,659,229	1.591
2012	217,980,488	1,656	55,520,023	7,096,304	280,598,471	-	280,598,471	1.939
2013	172,348,742	1,656	50,024,995	7,085,250	229,460,643	-	229,460,643	2.637
2014*	178,053,406	2,948	55,059,521	-	233,115,875	-	233,115,875	2.687
2015	N/A	N/A	N/A	N/A	225,329,661	N/A	225,329,661	2.863

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

N/A - Current not available

Data Source

Office of the County Clerk and Treasurer

**VILLAGE OF HANOVER PARK, ILLINOIS**

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE  
DUPAGE COUNTY

Last Ten Levy Years

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<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total</b>	<b>Railroad</b>	<b>Equalized Assessed Value</b>	<b>Total Direct Tax Rate</b>
2006	\$ 327,307,467	\$ 20,208	\$ 20,972,440	\$ 79,629,190	\$ 427,929,305	\$ 11,078	\$ 427,940,383	1.2897
2007	351,550,142	17,962	21,677,650	79,256,420	452,502,174	15,750	452,517,924	1.2124
2008	368,655,019	19,489	22,139,080	83,243,390	474,056,978	20,597	474,077,575	1.2199
2009	365,703,065	21,440	22,122,460	81,369,680	469,216,645	25,317	469,241,962	1.3755
2010	336,808,809	23,589	20,901,850	75,250,920	432,985,168	26,401	433,011,569	1.5830
2011	297,482,660	25,920	20,775,950	72,968,610	391,253,140	23,933	391,277,073	1.6506
2012	262,398,693	28,512	18,710,960	64,919,690	346,057,855	29,291	346,087,146	2.1327
2013	234,486,782	31,364	17,528,130	60,863,810	312,910,086	31,070	312,941,156	2.3941
2014*	224,823,993	34,501	16,622,430	58,665,170	300,146,094	42,030	300,188,124	2.6690
2015	220,471,689	37,195	16,870,870	63,099,260	300,479,014	45,643	300,524,657	2.7346

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

Data Source

Office of the County Clerk and Treasurer

**VILLAGE OF HANOVER PARK, ILLINOIS**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY**

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	1.191	1.249	1.150	1.063	1.053	1.305	1.385	1.686	2.309	2.356
Debt service rate	0.152	0.153	0.136	0.120	0.114	0.244	0.205	0.253	0.328	0.331
Total direct rate	1.343	1.402	1.286	1.183	1.167	1.549	1.590	1.939	2.637	2.687
<b>OVERLAPPING RATES</b>										
School District #46	4.746	4.874	4.565	4.435	4.339	5.026	5.507	6.540	7.580	7.6680
School District #509	0.421	0.347	0.348	0.331	0.354	0.434	0.475	0.546	0.638	0.6380
Hanover Park Park District	0.441	0.471	0.423	0.386	0.371	0.429	0.442	0.511	0.629	0.6240
County including Forest Preserve District and TB Sanitarium	0.598	0.562	0.499	0.466	0.443	0.474	0.545	0.594	0.629	0.6370
Hanover Township	0.237	0.250	0.224	0.223	0.239	0.248	0.287	0.324	0.391	0.2980
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.4300
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.0130
Poplar Creek Library	0.304	0.310	0.367	0.357	0.350	0.394	0.449	0.515	0.631	0.6320
Community Mental Health	0.035	0.037	0.033	0.033	0.033	0.038	0.044	0.050	0.061	0.0610
Consolidated Elections	0.014	-	0.012	-	-	-	-	-	0.031	-
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>8.463</b>	<b>8.546</b>	<b>8.028</b>	<b>7.674</b>	<b>7.565</b>	<b>8.875</b>	<b>9.669</b>	<b>11.400</b>	<b>13.657</b>	<b>13.688</b>

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

Data Source

Cook County Clerk's Office

**VILLAGE OF HANOVER PARK, ILLINOIS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES - DUPAGE COUNTY

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	0.5533	0.5332	0.4935	1.1095	0.5478	0.6262	0.7209	0.9039	0.9991	0.9836
Fire protection	0.5885	0.6303	0.6043		0.7077	0.7477	0.8068	0.9790	1.1292	1.3204
Debt service rate	0.1297	0.1262	0.1146	0.1104	0.1200	0.2091	0.1989	0.2498	0.2658	0.2816
Total direct rate	1.2716	1.2897	1.2124	1.2199	1.3755	1.5830	1.7266	2.1327	2.3941	2.5856
<b>OVERLAPPING RATES</b>										
School District #93	3.5070	3.6473	3.6473	3.6442	3.7112	3.9130	4.1112	4.6112	5.0165	5.1272
School District #87	1.7200	1.7210	1.6612	1.6507	1.6749	1.8378	2.0199	2.2868	2.4877	2.5824
Community College #502	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975
Hanover Park Park District	0.4055	0.4059	0.3801	0.3801	0.4091	0.4250	0.4554	0.5614	0.5673	0.5834
County including Forest Preserve										
District and Airport	0.3266	0.3199	0.3008	0.2923	0.2919	0.3138	0.3356	0.3639	0.3875	0.3944
Wayne Township	0.1400	0.1370	0.1289	0.1253	0.1268	0.1378	0.1479	0.1626	0.1796	0.1880
Poplar Creek Library	0.3004	0.3131	0.3696	0.3522	0.4003	0.4158	0.4553	0.5977	0.6249	0.6272
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>7.8585</b>	<b>8.0268</b>	<b>7.8891</b>	<b>7.8505</b>	<b>8.2024</b>	<b>8.8611</b>	<b>9.5014</b>	<b>10.9844</b>	<b>11.9532</b>	<b>12.3857</b>

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

Data Source

DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Newplan Excel Realty	\$ 4,167,855	1	1.79%	\$ -		
Claremont Hanover Park	2,494,861	2	1.07%	-		
Menards	2,266,776	3	0.97%	9,096,306	2	1.39%
National Shopping Plaza	1,002,882	\$ 4	0.43%	-		
Hanover Square LLC	699,989	5	0.30%	-		
Public Storage IL29125	532,755	6	0.23%	-		
Novogroder Company	404,753	7	0.17%	-		
Pebblewood Court Apts	376,917	8	0.16%	4,337,465	7	0.66%
Cicero Roosevelt Inc	358,476	9	0.15%	-		
Charter Bank & Trust	348,353	10	0.15%	-		
Wheaton Bank Trust 1238	-		0.00%	4,260,579	8	0.65%
AMB - Turnberry Lakes	-		0.00%	11,418,750	1	1.74%
Westview Center - Bradley	-		0.00%	8,744,818	3	1.33%
IDI Services - Turnberry Lakes	-		0.00%	7,473,420	4	1.14%
Fisher Scientific company	-		0.00%	5,605,130	5	0.85%
IDI Services - Hanover Corp Center	-		0.00%	4,575,580	6	0.70%
Northern Builders, Inc.	-		0.00%	4,146,590	9	0.63%
Kmart Corporation	-		0.00%	3,345,072	10	0.51%
<b>TOTAL</b>	<u>\$ 12,653,617</u>		<u>5.42%</u>	<u>\$ 63,003,710</u>		<u>9.60%</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 Period Ended	Tax Levied	Collected Within the Fiscal Period of the Levy		Collections in Subsequent Periods	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	April 30, 2006	\$ 8,113,730	\$ 1,597,398	19.69%	\$ 6,401,963	\$ 7,999,361	98.59%
2006	April 30, 2007	8,669,475	1,581,476	18.24%	6,985,693	8,567,169	98.82%
2007	April 30, 2008	8,771,573	1,643,467	18.74%	7,003,039	8,646,506	98.57%
2008	April 30, 2009	8,997,079	1,689,164	18.77%	7,087,709	8,776,873	97.55%
2009	April 30, 2010	9,360,557	1,840,527	19.66%	7,062,439	8,902,966	95.11%
2010	April 30, 2011	11,081,993	1,677,810	15.14%	8,978,384	10,656,194	96.16%
2011	April 30, 2012	11,294,245	2,548,018	22.56%	8,275,352	10,823,370	95.83%
2012	April 30, 2013	11,718,824	2,478,683	21.15%	9,260,873	11,739,556	100.18%
2013	December 31, 2014	12,692,238	4,013,571	31.62%	7,372,784	11,386,355	89.71%
2014	December 31, 2015	13,249,064	13,110,424	98.95%	-	13,110,424	98.95%

N/A - Not available

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

Because there was one tax levy for the periods ended April 30 and December 31, 2014, those collections were combined above.

Data Source

Village records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**TAXABLE SALES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General merchandise	\$ 4,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,127	\$ -
Food	537,689	560,621	573,464	606,170	585,020	597,879	472,391	503,151	561,648	574,319
Drinking and eating places	284,919	286,025	281,456	256,548	253,927	264,442	278,890	284,229	273,975	303,626
Apparel	9,496	-	-	-	-	-	-	-	522	-
Furniture, HH and radio	102,353	104,591	42,647	24,904	24,015	24,163	27,875	27,853	25,639	28,226
Lumber, building and hardware	267,284	264,845	277,415	416,200	444,876	459,688	517,245	525,261	533,309	604,029
Automobile and filling stations	288,409	318,134	309,685	279,146	329,497	370,963	303,586	294,965	316,758	282,731
Drugs and miscellaneous retail	413,431	428,619	405,162	416,339	470,691	503,913	571,334	598,156	571,484	512,741
Agriculture and all others	498,388	534,035	1,194,051	2,035,368	2,398,052	2,614,185	2,542,521	2,831,702	2,927,845	3,171,299
Manufacturers	18,815	38,436	72,542	79,521	57,678	29,619	29,239	69,661	77,973	138,599
<b>TOTAL</b>	<b>\$ 2,425,730</b>	<b>\$ 2,535,306</b>	<b>\$ 3,156,422</b>	<b>\$ 4,114,196</b>	<b>\$ 4,563,756</b>	<b>\$ 4,864,852</b>	<b>\$ 4,743,081</b>	<b>\$ 5,134,978</b>	<b>\$ 5,301,280</b>	<b>\$ 5,615,569</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	<b>1.00%</b>									

Data Source

Illinois Department of Revenues

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

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General merchandise	\$ 2,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,561	\$ -
Food	74,013	75,161	64,159	68,648	70,052	71,383	56,370	65,115	81,138	107,834
Drinking and eating places	130,218	131,575	129,871	119,158	118,713	123,355	133,067	168,674	195,334	215,732
Apparel	4,748	-	-	-	-	-	-	-	-	-
Furniture, HH and radio	51,174	52,293	21,323	12,452	12,006	12,082	13,938	17,842	19,228	20,863
Lumber, building and hardware	132,285	130,691	136,980	204,575	219,262	226,021	254,137	321,137	392,241	444,486
Automobile and filling stations	137,456	148,079	147,813	133,108	156,364	177,242	139,940	175,553	218,435	195,829
Drugs and miscellaneous retail	97,012	100,342	88,635	91,278	121,662	133,369	167,456	230,393	249,511	190,616
Agriculture and all others	237,893	261,862	594,900	1,014,659	1,196,027	1,304,854	1,269,342	1,775,671	2,190,176	2,378,404
Manufacturers	9,307	19,123	36,144	39,529	28,387	14,353	14,061	43,212	57,674	91,765
<b>TOTAL</b>	<b>\$ 876,255</b>	<b>\$ 919,126</b>	<b>\$ 1,219,825</b>	<b>\$ 1,683,407</b>	<b>\$ 1,922,473</b>	<b>\$ 2,062,659</b>	<b>\$ 2,048,311</b>	<b>\$ 2,797,597</b>	<b>\$ 3,411,298</b>	<b>\$ 3,645,529</b>
<b>VILLAGE HOME RULE SALES TAX RATE</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>

Data Source

Illinois Department of Revenues

**VILLAGE OF HANOVER PARK, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY**

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation Authority	0.75%	0.75%	1.00%	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%	1.75%	1.75%	1.25%	1.00%	0.75%	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%
<b>TOTAL</b>	<b>8.50%</b>	<b>8.50%</b>	<b>8.75%</b>	<b>9.75%</b>	<b>9.75%</b>	<b>9.25%</b>	<b>9.00%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>8.75%</b>

Data Source

Illinois Department of Revenues

**VILLAGE OF HANOVER PARK, ILLINOIS**

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
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%	0.75%
Regional Transportation Authority	0.25%	0.25%	0.75%	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%
<b>TOTAL</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.50%</b>	<b>7.75%</b>						

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds						
2007	\$ 12,060,000	\$ 232,021	\$ 4,900,000	\$ 3,365,405	\$ 20,557,426	\$ 687,946,444	2.99%	3.72%	\$ 537.06
2008	11,120,000	131,834	3,350,000	3,091,905	17,693,739	746,188,021	2.37%	4.32%	462.24
2009	10,150,000	49,250	1,650,000	2,810,817	14,660,067	789,204,793	1.86%	5.21%	382.99
2010	19,140,000	-	-	2,522,513	21,662,513	810,756,275	2.67%	3.53%	565.91
2011	23,095,000	-	-	2,225,029	25,320,029	753,653,328	3.36%	3.40%	666.79
2012	22,030,000	-	-	1,919,889	23,949,889	695,936,302	3.44%	3.59%	630.71
2013	21,289,045	-	-	1,606,283	22,895,328	626,685,617	3.65%	3.76%	602.94
2014	20,477,418	-	-	1,283,975	21,761,393	542,401,799	4.01%	2.53%	573.08
2014*	19,615,000	-	-	1,067,648	20,682,648	533,303,999	3.88%	2.37%	544.67
2015	18,670,000	-	-	730,463	19,400,463	525,854,318	3.69%	2.22%	510.90

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

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

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

Data Source

Village records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Gross General Obligation Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Equalized Assessed Value (1)</b>	<b>Per Capita (2)</b>
2007	\$ 12,060,000	\$ 881,208	\$ 11,178,792	1.62%	\$ 292.04
2008	11,120,000	790,270	10,329,730	1.38%	269.86
2009	10,150,000	512,014	9,637,986	1.22%	251.79
2010	19,140,000	169,528	18,970,472	2.34%	495.60
2011	23,095,000	-	23,095,000	3.06%	608.20
2012	22,030,000	234,149	21,795,851	3.13%	573.98
2013	21,289,045	370,984	20,918,061	3.34%	550.87
2014	20,477,418	553,653	19,923,765	3.67%	524.68
2014*	19,600,791	214,928	19,385,863	3.64%	511.16
2015	18,685,836	172,733	18,513,103	3.52%	487.12

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.

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

Data Source

Village Records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**DIRECT AND OVERLAPPING BONDED DEBT**

December 31, 2015

<b>Governmental Unit</b>	<b>Outstanding GO Bonded Debt</b>	<b>Percentage to Debt Applicable to Village (1)</b>	<b>Village's Share of Debt</b>
Village of Hanover Park	\$ 18,670,000	100.00%	\$ 18,670,000
School District #20	4,550,000	35.54%	1,617,098
School District #93	14,430,000 (4)	8.62%	1,243,478
High School District #87	25,855,000 (3)(4)	1.90%	492,314
High School District #108	37,850,000 (3)	6.97%	2,637,498
High School District #211	11,380,000	1.76%	200,545
Community School District #46	319,635,442 (2)	5.11%	16,318,589
Community College District #502	208,870,000 (3)	0.59%	1,225,725
Community College District #509	186,425,000 (2)	2.06%	3,839,401
Community College District #512	170,935,000	0.70%	1,203,435
Total school districts	<u>979,930,442</u>		<u>28,778,083</u>
Cook County	3,491,085,000	0.18%	6,378,546
DuPage County	43,590,000 (3)(4)	0.96%	416,370
Cook County Forest Preserve District	118,610,000 (3)	0.18%	216,712
DuPage County Forest Preserve District	149,705,394 (2)(3)	0.96%	1,429,979
Metropolitan Water Reclamation District	2,394,996,000 (1)	0.18%	4,269,481
Bartlett Park District	28,325,000 (3)	3.17%	898,651
Hanover Park Park District	475,000 (3)	94.93%	450,933
Schaumburg Park District	9,585,000 (3)	1.33%	127,572
Poplar Creek Library District	18,615,000	34.51%	6,424,228
Bloomington Fire Protection District	1,365,000	5.38%	73,402
Total other	<u>6,256,351,394</u>		<u>20,685,874</u>
Total overlapping debt	<u>7,236,281,836</u>		<u>49,463,957</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 7,254,951,836</u></u>		<u><u>\$ 68,133,957</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 Sources

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**LEGAL DEBT MARGIN**

December 31, 2015

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The Village is a home rule municipality.

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

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by 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

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate (1)</b>
2007	38,278	\$ 764,029	\$ 19,960	29.7	6,432	5.40%
2008	38,278	764,029	19,960	29.7	6,432	6.80%
2009	38,278	764,029	19,960	29.7	6,432	11.20%
2010	38,278	764,029	19,960	29.7	6,432	11.40%
2011	37,973	859,823	22,643	31.5	7,799	10.40%
2012	37,973	859,823	22,643	31.5	7,799	8.90%
2013	37,973	859,823	22,643	31.5	7,799	10.10%
2014	37,973	859,823	22,643	31.5	7,799	10.10%
2014*	37,973	872,961	22,989	31.5	7,799	10.10%
2015	37,973	872,961	22,989	31.5	7,799	6.10%

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

Data Sources

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2015 (1)			2006 (2)		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Maines Paper & Food Service	400	1	8.00%			
Fischer Scientific	300	2	6.00%	345	1	6.98%
Insight Enterprises, Inc.	250	3	5.00%	250	2	5.06%
Camcraft, Inc.	245	4	4.90%	200	3	4.05%
Everpure, LLC	200	5	4.00%			
Menards	200	5	4.00%			
General Binding Corp	200	5	4.00%	200	3	4.05%
Fuji Film	200	5	4.00%	185	6	3.74%
Village of Hanover Park	193	9	3.86%	182	5	3.68%
Pentair	190	10	3.80%	160	8	3.24%
School Health Corporation	150	11	3.00%	120	7	2.43%
AMPAC	125	12	2.50%			
	<u>2,653</u>		<u>53.06%</u>	<u>1,642</u>		<u>33.23%</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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>
<b>GENERAL GOVERNMENT</b>										
Village Clerk	1	1	1	2	2	2	2	2	2	2
Administration	8	4	4	2	2	2	2	2	9	9
Legal	2	2	2	-	-	-	-	-	-	-
Human Resources	3	3	3	3	3	3	3	3	4	3
Information Technology	-	3	3	3	3	3	3	3	3	3
Finance	12	10	9	9	10	10	9	9	10	11
<b>PUBLIC WORKS</b>	35	39	39	37	38	38	38	38	36	37
<b>POLICE</b>	73	74	78	81	80	80	80	80	91	85
<b>FIRE</b>	33	36	36	36	37	40	41	41	41	41
<b>COMMUNITY DEVELOPMENT</b>	9	9	9	8	6	2	2	2	3	3
<b>WATER AND SEWER</b>	11	12	12	12	12	12	12	12	12	12
<b>TOTAL</b>	187	193	196	193	193	192	192	192	211	206

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2014*	2015
<b>PUBLIC WORKS</b>										
Forestry										
Number of parkway trees planted	36	12	38	42	50	-	-	140	-	159
Number of parkway trees trimmed	2,457	2,443	1,724	1,994	2,094	2,311	2,123	1,870	1,550	1,467
Brush pickup program (cubic yards collected)	2,205	2,314	1,593	1,660	1,765	1,465	1,640	1,400	965	1,090
Fleet services										
Number of vehicles maintained	150	150	150	150	150	152	154	154	154	156
Preventative maintenance services	403	412	417	419	427	436	418	422	420	435
<b>PUBLIC SAFETY</b>										
Fire										
Number of fire calls	787	907	909	830	912	938	970	1,120	653	1,089
Number of EMS calls	1,885	2,022	2,225	2,045	2,255	2,347	2,356	2,458	1,845	2,434
Number of training hours	6,555	11,484	10,960	10,767	10,967	14,879	13,626	14,563	9,982	15,954
ISO rating	4	4	4	4	4	4	4	4	4	2
Police										
Part I crime	666	704	656	660	587	503	481	379	290	305
Part II crime	4,394	4,469	3,799	3,674	4,476	5,019	5,611	5,600	2,626	3583
Calls for service	43,358	42,583	43,257	40,279	42,226	44,675	47,775	45,244	28,375	43255
State tickets issued	9,564	8,808	7,069	6,022	6,320	7,039	9,135	7,793	4,617	6807
Compliance tickets issued	118	43	5	14	26	15	16	5	-	0
Parking tickets issued	17,752	13,710	14,147	10,539	12,161	11,918	13,786	11,609	7,709	9270
<b>COMMUNITY DEVELOPMENT</b>										
Number of building permits issued	1,442	1,794	1,402	1,233	1,808	1,405	1,502	987	684	1,654
Number of building inspections	5,694	5,267	5,744	3,246	3,845	2,585	2,791	2,965	1,829	5,896
Number of food service inspections	355	336	338	488	509	484	493	496	295	422
<b>HIGHWAYS AND STREETS</b>										
Sidewalk replaced (square feet)	22,511	21,148	17,629	18,377	25,100	26,361	30,159	23,600	23,690	28,159
Annual resurfacing program (\$)	630,085	553,835	584,161	563,027	647,921	550,713	917,493	799,039	900,000	-
Crack sealing (pounds installed)	24,910	24,900	-	29,400	27,000	22,700	21,777	22,680	15,600	16,080

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>
<b>WATER AND SEWER</b>										
Water main breaks	37	39	49	37	58	55	75	43	43	41
Hydrants flushed	1,443	1,455	1,463	1,462	1,484	1,475	1,475	1,475	1,599	1,475
Water meters read	66,547	97,025	68,140	66,798	68,186	69,019	67,618	40,462	40,462	41,239
Water meter service requests	6,566	6,050	5,870	6,266	6,301	6,080	6,357	3,765	3,765	4,477
Water meters replaced	31	17	29	32	32	22	32	25	25	102
Total distribution pumpage (1,000 gallons)	1,084,912	1,029,079	965,392	974,916	954,763	938,977	929,490	889,160	873,958	886,487
Average daily pumpage (1,000 gallons)	2,972	2,819	2,645	2,671	2,616	2,566	2,547	2,436	2,394	2,429
Sanitary sewer televising (feet)	25,547	39,422	3,851	41,425	50,743	65,210	17,615	2,801	600	20,831
Sanitary sewer repairs	7	4	1	3	3	2	1	1	1	2

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2014*	2015
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
<b>PUBLIC WORKS</b>										
Streets (miles)	99.36	99.36	99.36	99.36	99.36	80.13	99.36	99.36	80.13	80.13
Sidewalks (miles)	154.66	154.84	155.13	155.13	155.13	155.15	155.15	155.15	155.25	155.25
Streetlights	1,076	1,081	1,086	1,090	1,130	1,138	1,141	1,141	1,088	1,088
<b>WATER AND SEWER</b>										
Water mains (miles)	111.75	111.83	111.78	112.05	112.35	112.35	112.35	112.35	112.35	112.35
Fire hydrants	1,452	1,459	1,464	1,469	1,474	1,475	1,475	1,477	1,475	1,482
Sanitary sewers (miles)	93.86	93.96	93.96	93.76	93.76	93.80	93.80	93.80	93.80	94.03
Manholes	2,347	2,351	2,351	2,342	2,343	2,346	2,346	2,348	2,348	2,353

\* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2014

Data Source

Village records



630.566.8400 // [www.sikich.com](http://www.sikich.com)

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

## INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

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

We have examined management's assertion, included in its representation letter dated June 17, 2016, that the Village of Hanover Park, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2015 for Village Center TIF District (TIF #3), West Irving Park Road Corridor TIF District (TIF #4), and East Irving Park Road TIF District (TIF #5). Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Hanover Park complied with the aforementioned requirements for the year ended December 31, 2015 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees, the Illinois Comptroller's Office, the Joint Review Board and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Sikich LLP'.

Naperville, Illinois  
June 17, 2016