

Village of Hanover Park, Illinois



Comprehensive Annual Financial Report

**For the Fiscal Year Ended
April 30, 2013**

VILLAGE OF HANOVER PARK, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2013

Prepared by Department of Finance

Rebekah Flakus
Director of Finance

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INTRODUCTORY SECTION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2013

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig, President

William Cannon

Jon Kunkel

James Kemper

Rick Roberts

Jenni Konstanzer

Edward J. Zimel, Jr.

Eira Corral, Clerk

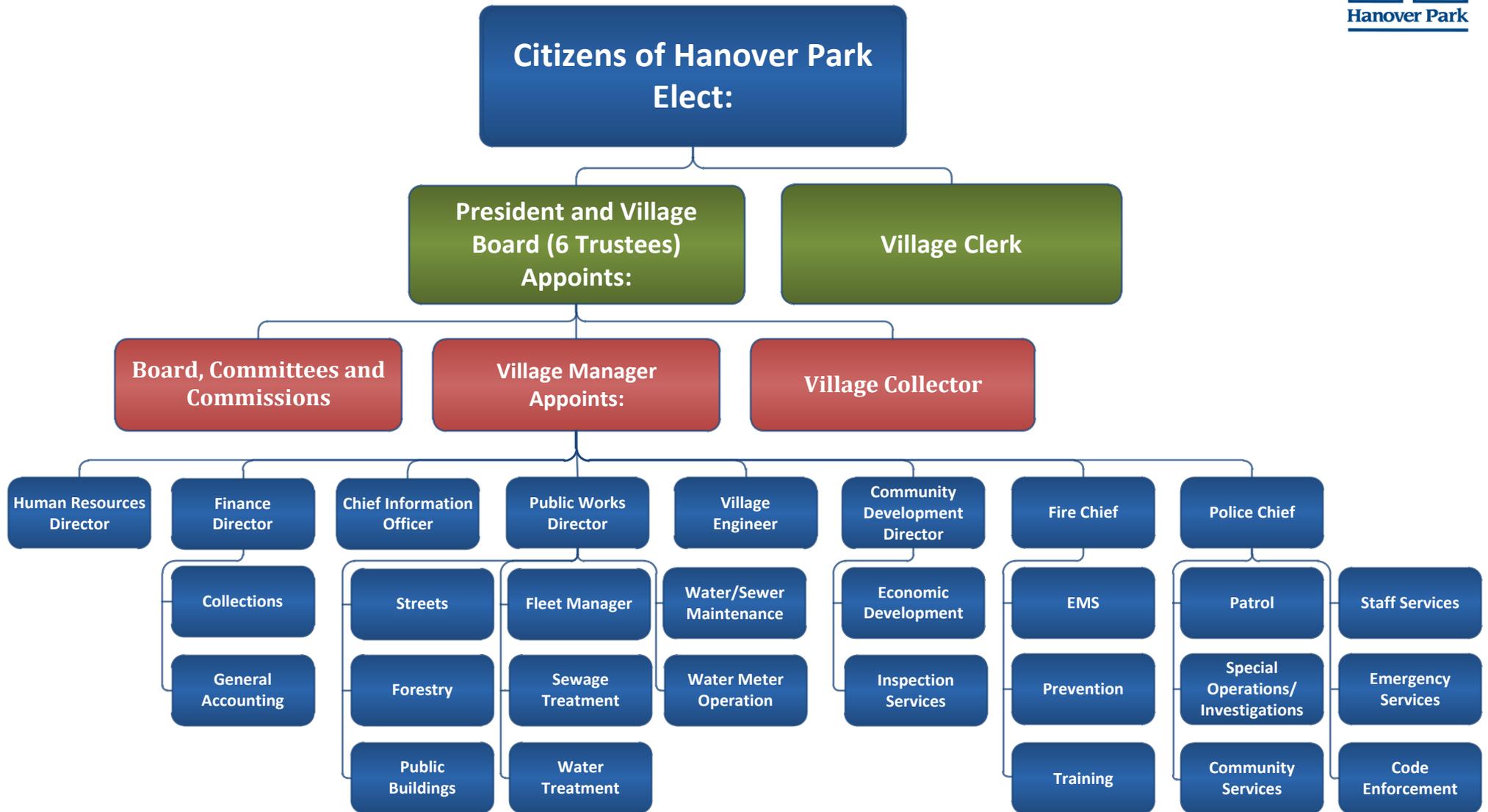
ADMINISTRATIVE

Juliana Maller, Manager

FINANCE DEPARTMENT

Rebekah Flakus
Director of Finance

Village of Hanover Park – Table of Organization





Government Finance Officers Association

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

Presented to

**Village of Hanover Park
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO



Village of Hanover Park Administration

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

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

PRESIDENT
RODNEY S. CRAIG

VILLAGE CLERK
EIRA CORRAL

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

VILLAGE MANAGER
JULIANA A. MALLER

August 31, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ended April 30, 2013 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally-accepted auditing standards (GAAS), include all of the accounts and funds of the Village, and be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally-accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending April 30, 2013.

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

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unqualified ("clean") opinion on the Village's financial statements for the year ending April 30, 2013. The independent

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

Profile of the Village of Hanover Park

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

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

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot. In December, 2011, the Village purchased the Hanover Square Shopping Center along Barrington Road. A management company specialized in shopping centers was hired by the Village to run operations on behalf of the Village. Monthly meetings between the management company and the Village are held to report financial statements as well as receive updates on the center.

The annual budget serves as the foundation for the Village's financial planning and control. All departments annually submit their budget requests for the upcoming fiscal year to the Budget Team. The Village Manager and staff review these budget requests and develop a budget to match anticipated revenues. The Village Manager's proposed budget is presented to the Village Board in a series of workshops. The Village Board is required to hold a public hearing on the proposed budget, and a final budget must be adopted by the Village Board by April 30th of each fiscal year. The legal level of budgetary control is at the fund level. The Village Manager is authorized to make budget transfers within any fund. Additions and transfers between funds require Village Board approval. Original and final

amended budget-to-actual comparisons are provided for each individual governmental fund for which an annual budget has been adopted. The general and major special revenue fund comparisons are included in the required supplementary information. Other governmental fund comparisons are presented in the Non-major Governmental Funds subsection of this report.

There were 192 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2013 annual budget. There are six different labor unions that represent sworn police officers, firefighters, paid on-call firefighters, and Public Works employees.

Local Economy

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

Construction continues in the mixed-use development, Church Street Station. In fiscal year 2010, Church Street Station was acquired by a new developer who resumed building in 2010. As of February, 2013, 104 homes have been constructed and sold of the 126 total planned for the project.

A significant impact to the Village occurred when Ultra Foods closed in August, 2012. Sales and Home Rule Sales Tax revenue declined the second half of the Fiscal Year. Though a new grocer, Tony's Finer Foods plans to move in and open in early Fiscal Year 2014, there were still several months where Sales Tax or Food & Beverage Tax revenues were not being generated by the property. The Village anticipates the revenues will level out once Tony's begins operations.

Over the past several years, the United States economic recovery from recession has persisted, but at a sluggish pace. The Village has been trying to recover, but any increases in certain revenues are offset by decreases in other revenues. The economic impact nationwide still affects the Village. Fiscal Year 2013 General Fund Revenues show a decrease from the prior year by 2.66%.

- Property tax revenue received totaled \$9,442,081 for fiscal year 2013, which was \$1,214,112 less than the \$10,656,193 received in fiscal year 2012. Reassessments and timing of installment payments received caused the variance. In fiscal year 2012, a portion of the 2011 property tax payments were received causing a large increase.
- Municipal sales tax revenues totaled \$4,729,737 which was a decrease of \$74,070 than the \$4,803,807 received in fiscal year 2012. The 1.54% decrease from Fiscal Year 2012 was primarily due to a reduction in overall sales within Hanover Park.

- Home rule sales tax revenues totaled \$2,059,366, which represents a decrease of \$18,922 from \$2,078,288 received in fiscal year 2012. The 0.91% decrease from Fiscal was also due to a reduction in overall sales within Hanover Park.
- Simplified telecommunications tax revenues decreased from \$1,120,588 in Fiscal Year 2012 to \$982,864 in 2013.
- Rental Income totaled \$303,991 in Fiscal Year 2013, increasing \$24, 360 or 8.71% from fiscal year 2012 total of \$279,631. The increase reflects an increase in rental property licenses within Hanover Park.
- Ordinance Violation Revenues increased by 12,749 or 4.89% in Fiscal Year 2013. Additional policing and better collections aided in the increase from \$260,810 in Fiscal Year 2012 to \$273,559.

The Village equalized assessed valuation decreased by \$69 million, or 9.95%, from \$695.9 million in the 2011 levy year to \$626.6 million in the 2012 levy year. This decrease is primarily due to the property reassessments which were completed in 2011 and continued into 2012 and an overall decline in the value of properties within the Village.

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

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 \$700,359 due to a one time transfer of reserve funds from IPBC (Intergovernmental Personal Benefit Cooperative) of \$1,128,770.

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

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

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

Major Initiatives

The Village of Hanover Park continues to manage its fiscal operations well and operate cost effectively in Fiscal Year 2013. The Village, with its budgeted full-time staffing of 192, serves its citizens with 5.07 full-time employees per 1,000 in population. Implementation of the Village’s Strategic Plan during the fiscal year reflects the Village's continued commitment to its citizens that the Village is an enviable place to live, work, and transact business and includes:

- The Village entered into a 39 year lease for the MWRD land located on the Hanover Park Water Reclamation District Plant off of Barrington Road for public and recreational use. The lease between the Village and MWRD began on January 1, 2013. This lease was entered in an effort to ensure that affordable youth programming will continue to be provided, as well as allow for visual improvements to the site.
- As part of the goal to improve the look of its appearance, the Village purchased the Hanover Square Shopping Center in Fiscal Year 2012. Since then, major improvements have taken place including the purchase and demolition of the vacant

'old Shires' building at 6794 Barrington, demolition of the 'old hot dog stand' at 6784 Barrington Road, and construction of a new monument sign to promote the center and tenants. A Construction Management Firm, Innovative Construction Solutions (ICS) has been obtained and is preparing plans for the build-out of available tenant spaces and façade renovation.

- Completion of the Tax Increment Financing District #2 streetscape project along Barrington Road was another goal of the Village. The construction was completed this year with escrowed funds left from the closure of the TIF.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hanover Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2012. This was the 22nd consecutive fiscal year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the Village must publish an easily-readable and efficiently-organized CAFR. This report satisfies both generally-accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2013 budget document. This was the 22nd 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, especially Assistant Director Kay Nees, for their contributions made in the timely preparation of this document.

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

Respectfully submitted,



Rebekah B. Flakus, CPA
Director of Finance

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended April 30, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of April 30, 2013, 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.

Emphasis of Matter

The Village adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of net position to the new classifications contained in GASB Statement No 63. The adoption of these statements had no effect on any of the Village's net positions or fund balances as of and for the year ended April 30, 2013, except as discussed in note 14. Our opinions are not modified with respect to this matter.

Other Matters

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.

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

Naperville, Illinois
August 21, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities and deferred inflows at April 30, 2013 by \$99,823,718 (net position). Of this amount, \$19,076,150 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$1,026,488 during the fiscal year.
- The governmental activities net position decreased by \$655,541 to \$65,156,134. The governmental activities unrestricted net position decreased \$3,735,402 to \$11,779,582.
- The business-type activities net position increased by \$1,682,029 to \$34,667,584.
- The Village's combined governmental funds ending fund balance decreased by \$557,271 to \$14,833,560 as of April 30, 2013.
- At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$8,473,882 or 28.48% of General Fund Fiscal Year 2013 budgeted expenditures and other financing uses. This represents an increase of \$700,359, primarily due a one-time transfer from an external reserve.
- The Village's total long-term debt, including net pension obligation and compensated absences liability, decreased by \$929,782 to \$25,284,881 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets

and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving.

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

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

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term

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

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

Proprietary Funds

The Village maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in business-type activities in the Government-Wide Financial Statements. The Village uses enterprise funds to account for its Waterworks and Sewerage, Municipal Railroad Parking Lot and Hanover Square Shopping Center activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its vehicle replacement program, compensated absences and post-employment benefits. Each Internal Service Fund predominantly serves governmental rather than business-type functions and has been included with governmental activities in the Government-Wide Financial Statements. At the end of Fiscal Year 2012 the Village dissolved the Compensated Absences and Employee Benefits Funds into the General Fund, leaving the Central Equipment Fund as the sole Internal Service Fund in Fiscal Year 2013.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets exceeded its liabilities by \$99,823,718 as of April 30, 2013. The largest portion of the Village's net position reflects its investment in capital assets (\$75,917,867 or 76.1%), including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (\$4,829,701 or 4.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$19,076,150 or 19.1%) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities.

The Village's combined net position increased by \$1,026,488 as a result of the governmental activities decreasing \$655,541 and business-type activities increasing \$1,682,029.

The net position of business-type activities totaled \$34,667,584, an increase of \$1,682,029 from Fiscal Year 2012. The increase is primarily due to increases in Capital Grants and contributed Capital Assets.

The unrestricted net position of \$7,296,568 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its shopping center and commuter parking programs. For more detailed information see the Statement of Net Position on page 3.

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The following table reflects the condensed Statement of Net Positions:

Village of Hanover Park						
Statement of Net Position as of April 30, 2013						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2013	2012	2013	2012	2013
Assets						
Current and Other Assets	\$ 31,926,837	\$ 31,359,232	\$ 7,741,227	\$ 8,945,529	\$ 39,668,064	\$ 40,304,761
Capital Assets	70,170,097	69,835,896	28,614,763	28,977,299	98,784,860	98,813,195
Total Assets	102,096,934	101,195,128	36,355,990	37,922,828	138,452,924	139,117,956
Liabilities						
Current Liabilities	12,163,809	2,962,957	1,277,222	1,472,935	13,441,031	4,435,892
Long-Term Liabilities	24,121,450	23,502,572	2,093,213	1,782,309	26,214,663	25,284,881
Total Liabilities	36,285,259	26,465,529	3,370,435	3,255,244	39,655,694	29,720,773
Deferred Inflows						
Unavailable Property Taxes	8,766,838	9,573,465	-	-	8,766,838	9,573,465
Total Liabilities and Deferred Inflows	45,052,097	36,038,994	3,370,435	3,255,244	48,422,532	39,294,238
Net Position						
Net Investment in						
Capital Assets	45,248,341	48,546,851	26,694,874	27,371,016	71,943,215	75,917,867
Restricted	5,048,350	4,829,701	13,644	-	5,061,994	4,829,701
Unrestricted	15,514,984	11,779,582	6,277,037	7,296,568	21,792,021	19,076,150
Total Net Position	\$ 65,811,675	\$ 65,156,134	\$ 32,985,555	\$ 34,667,584	\$ 98,797,230	\$ 99,823,718

Changes in Net Position

Governmental Activities

Governmental activities net position decreased by \$655,541 from \$65,811,675 in Fiscal Year 2012 to \$65,156,134 in Fiscal Year 2013. Key elements contributing to this net change are as follows:

Revenues

For the Fiscal Year ended April 30, 2013 revenues from governmental activities totaled \$32,040,189, a decrease of \$1,841,782. This represents a change of 5.4%. Property taxes continue to be the Village's largest revenue source totaling \$13,110,176 and representing 40.9% of total governmental activity revenue. Other Taxes, including sales tax, utility tax, food and beverage tax, hotel tax, and real estate transfer tax total \$10,379,315 or 32.4% of the total governmental activities revenues. Intergovernmental revenues, including State Income Tax and Replacement Tax, represent 10.7%.

Village of Hanover Park, Illinois
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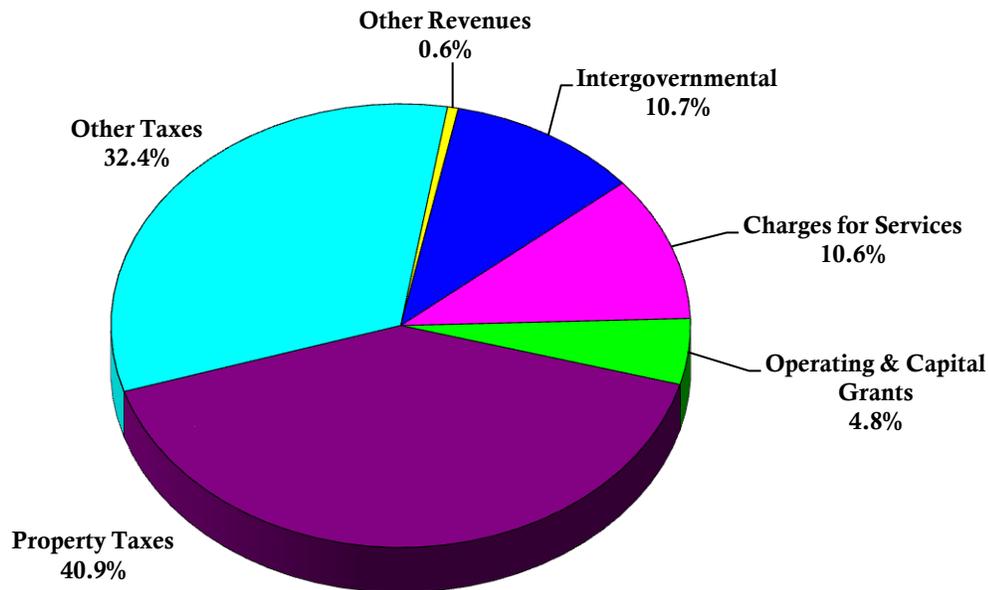
Village of Hanover Park
Changes in Net Position for the Fiscal Year Ended April 30, 2013

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2013	2012	2013	2012	2013
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 3,217,311	\$ 3,376,367	\$ 9,455,377	\$ 11,197,208	\$ 12,672,688	\$ 14,573,575
Operating Grants	1,432,867	1,228,338	-	-	1,432,867	1,228,338
Capital Grants	475,557	318,006	102,105	688,932	577,662	1,006,938
General Revenues						
Property Taxes	14,808,277	13,110,176	-	-	14,808,277	13,110,176
Other Taxes	10,666,876	10,379,315	-	-	10,666,876	10,379,315
Intergovernmental	3,096,265	3,422,147	-	-	3,096,265	3,422,147
Other Revenue	184,818	205,840	12,473	63,056	197,291	268,896
Total Revenues	33,881,971	32,040,189	9,569,955	11,949,196	43,451,926	43,989,385
Expenses						
General Government	4,634,174	4,988,649	-	-	4,634,174	4,988,649
Public Works	8,971,096	4,070,954	-	-	8,971,096	4,070,954
Public Safety	15,473,122	18,014,749	-	-	15,473,122	18,014,749
Community Development	5,183,573	711,260	-	-	5,183,573	711,260
Highways and Streets	1,499,979	3,946,982	-	-	1,499,979	3,946,982
Interest	1,041,142	1,054,210	-	-	1,041,142	1,054,210
Water and Sewer	-	-	8,443,812	8,976,177	8,443,812	8,976,177
Commuter Parking Lot	-	-	309,014	280,836	309,014	280,836
Hanover Square	-	-	230,810	694,736	230,810	694,736
Total Expenses	36,803,086	32,786,804	8,983,636	9,951,749	45,786,722	42,738,553
Change in Net Position before Transfers	(2,921,115)	(746,615)	586,319	1,997,447	(2,334,796)	1,250,832
Net Transfers	(2,605,806)	315,418	2,605,806	(315,418)	-	-
Change in Net Position	(5,526,921)	(431,197)	3,192,125	1,682,029	(2,334,796)	1,250,832
Net Position, May 1	71,113,055	65,811,675	29,793,430	32,985,555	100,906,485	98,797,230
Prior Period Adjustment	225,541	(224,344)	-	-	225,541	(224,344)
Net Position, May 1, Restated	71,338,596	65,587,331	29,793,430	32,985,555	101,132,026	98,572,886
Net Position, April 30	\$ 65,811,675	\$ 65,156,134	\$ 32,985,555	\$ 34,667,584	\$ 98,797,230	\$ 99,823,718

Property Tax revenues decreased by \$1,698,201 to \$13,110,176 in Fiscal Year 2013, compared to \$14,808,277 received in Fiscal Year 2012. This decrease resulted from lower TIF increment within TIF #3 and no increment with the closing of TIF #2. General Fund Property Tax revenues decreased significantly due to reassessments and refunds on residential property taxes.

Sales and Use Tax revenues have decreased from the prior fiscal year by \$38,144. The closing of a major grocer in August, 2012 and lower than anticipated consumer spending contributed to the decrease in sales revenues. The real estate transfer tax revenues have also decreased by 18.1% to \$203,400 reflecting the continued effects of the softened economy. A positive reflection that the economic downturn is starting to regain is Income Tax revenues increasing by 10.5%, due to Village residents earning greater incomes and working compared to Fiscal Year 2012.

Village of Hanover Park
2013 Governmental Activities
Percentage of Revenues by Type



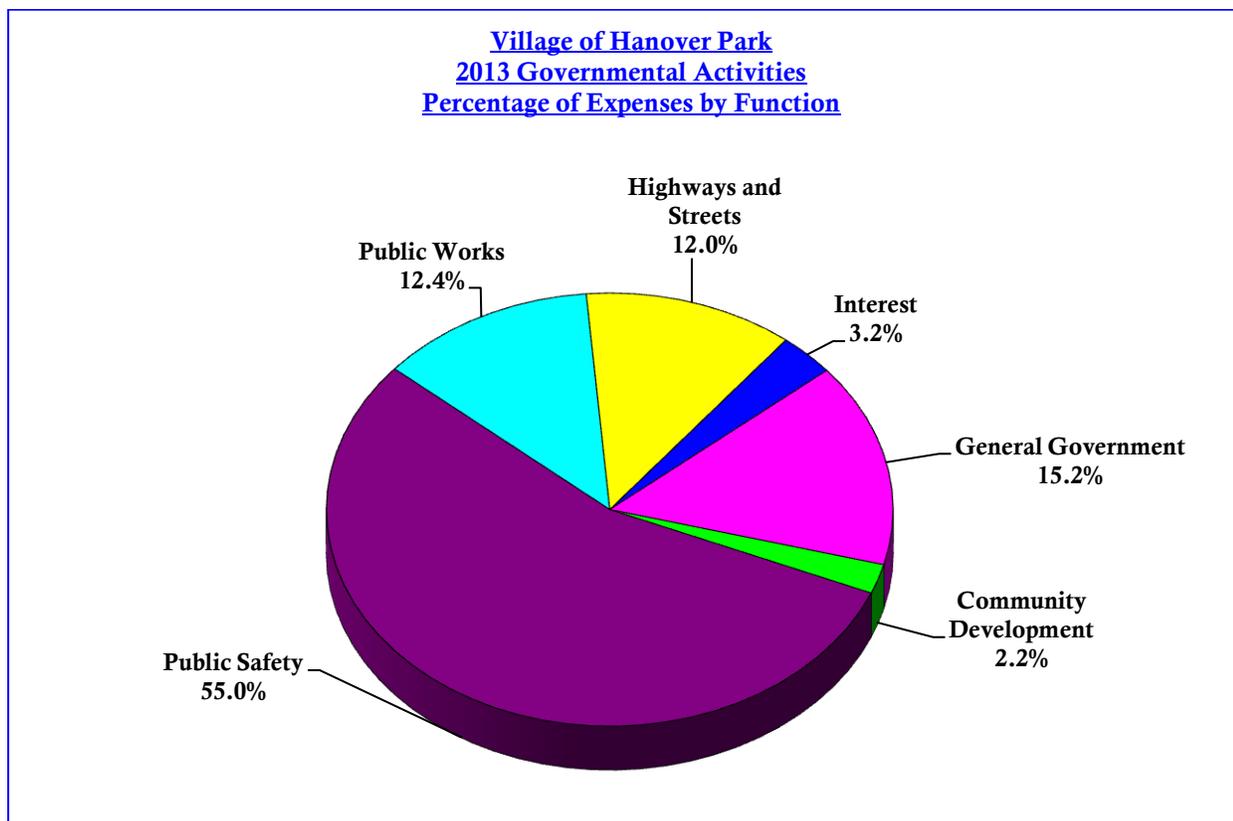
Village of Hanover Park
Changes in Select Governmental Activities Revenues

	Fiscal Year		Increase (Decrease)	% Increase (Decrease)
	2012	2013		
Sales and Use Tax	\$ 7,432,314	\$ 7,394,170	\$ (38,144)	-0.5%
State Income Tax	3,096,265	3,422,147	325,882	10.5%
Utility Taxes	1,730,990	1,621,854	(109,136)	-6.3%
Real Estate Transfer Tax	248,277	203,400	(44,877)	-18.1%

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Expenses

For the fiscal year ended April 30, 2013, expenses from governmental activities totaled \$32,786,804 a decrease of \$4,016,282 from Fiscal Year 2012. \$3,867,544 of the decrease was a one-time transfer to Cook County for the closing of TIF #2 (Tax Increment Financing) during Fiscal Year 2012. Other decreases are due to lower operating costs within public works and public safety divisions.



Village of Hanover Park
Changes in Select Governmental Activities Expenditures

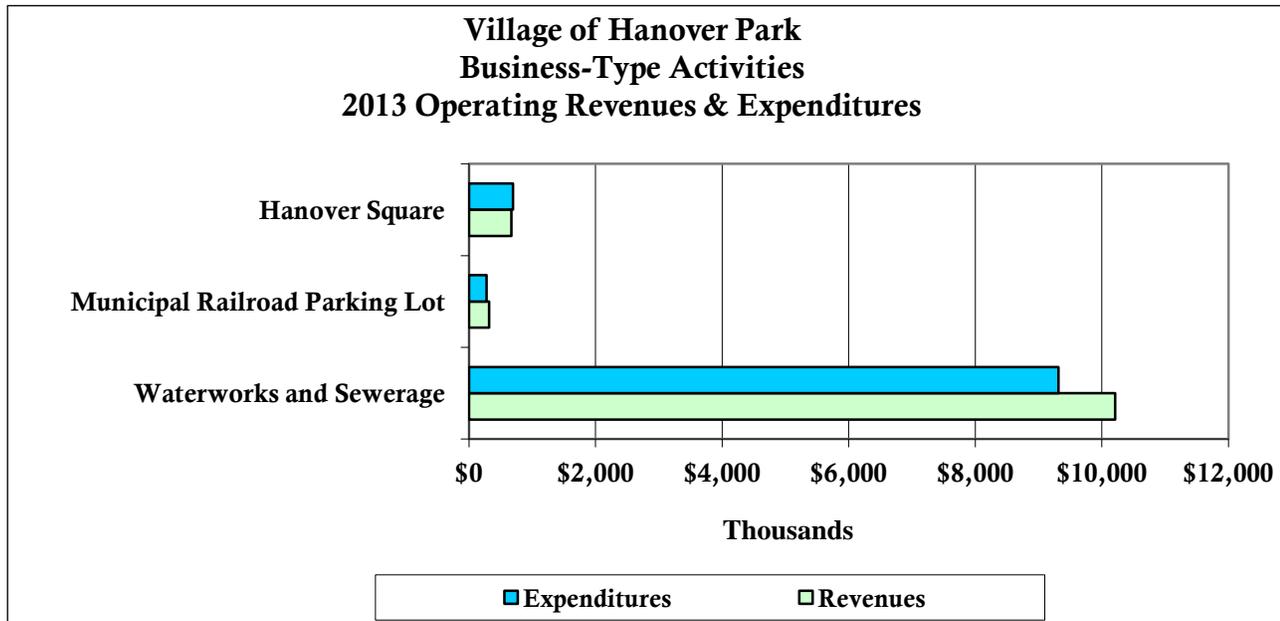
	Fiscal Year		Increase	% Increase
	2012	2013	(Decrease)	(Decrease)
General Government	\$ 4,634,174	\$ 4,988,649	\$ 354,475	7.6%
Community Development	\$ 5,183,573	\$ 711,260	(4,472,313)	-86.3%
Public Safety	\$ 15,473,122	\$ 18,014,749	2,541,627	16.4%
Public Works	\$ 8,971,096	\$ 4,070,954	(4,900,142)	-54.6%
Highways & Streets	1,499,979	3,946,982	2,447,003	163.1%
Interest	1,041,142	1,054,210	13,068	1.3%
Total Expenditures	36,803,086	32,786,804	(4,016,282)	-10.9%

Business-Type Activities

Business-type activities net position increased \$1,682,029 to \$34,667,584. Key elements of this net change are as follows:

Revenues

Water Revenue increased \$1,591,282 or 29.4%, from \$5,416,483 in fiscal year 2012 to \$7,007,765 in fiscal year 2013, mainly due to scheduled water rate increases. Sewer Service revenues decreased from \$2,783,286 in fiscal year 2012 to \$2,685,114 in fiscal year 2013 due to an overall decrease in water usage. The Village continued the treatment of leachate from an IEPA regulated landfill that closed in 1999. The landfill is adjacent to our wastewater treatment plant. Fiscal year 2013 revenues decreased from \$261,556 to \$175,595 due to a continued decrease in the volume of leachate being treated. Interest revenue continues to remain low due to the economic downturn, but did increase this year from \$8,996 to \$10,295. Operating revenues for the Municipal Railroad Parking Lot Fund decreased \$11,283 or 3.4% from \$328,729 to \$317,446. This decrease is primarily due to a decrease in parking fee revenues showing the Village signs that pursuing alternate methods of travel and utilizing the train more often has lessened slightly this year. Hanover Square rental and other income increased by \$432,754 or 182.7% due to having a full year of revenues in Fiscal Year 2013. Fiscal Year 2012 income for Hanover Square only included just over four months.



Expenses

Expenses from all business-type activities increased \$968,113 or 10.8% to \$9,951,749. This increase is mostly due the addition of the Hanover Square Shopping Center Fund and the anticipated increase in the cost of water. Operating Revenues in the Waterworks and Sewerage Fund currently exceed operating expenditures. Over the past few years, operating expenses have exceeded the operating revenues within the Waterworks and Sewerage Fund with the intent of the Village to utilize Fund reserves and to prevent the residents from increases in water rates. During

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Fiscal Year 2012, the City of Chicago increased its water rates, pushing the increase through JAWA, the Village's water supply. Due to keeping the rates lower in previous years and utilizing excess reserves, the Village couldn't absorb Chicago's increase and a new water rate study was done in January 2012 to figure out a new water rate increase structure to offset these increased costs. Once the new water rate structure was in place, the operating revenues began to increase and in Fiscal Year 2013 the revenues exceeded operating expenditures.

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 year, the governmental funds reflect a combined fund balance of \$14,833,560, a decrease of \$557,271 from the prior year. Of the total fund balance, \$8,169,617 is unassigned indicating availability for continuing Village services. \$273,045 of the total fund balance is assigned for capital projects and improvements. \$1,561,197 of the total fund balance is considered to be non-spendable for prepaid expense, inventories and advances. The remainder of fund balance is restricted to indicate that it is not available for new spending. The restricted fund balance of \$4,829,701 includes \$134,910 for Public Safety, \$2,507,895 for highways and streets, \$370,984 for debt service, \$1,552,532 for community development and \$263,380 for special service areas.

General Fund			
<u>Comparison of the Results of Operations and the</u>			
<u>Unreserved/Unrestricted Fund Balance Fiscal Years 2011-2013</u>			
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Transfers	\$ 25,555,351	\$ 30,351,147	\$ 27,173,004
Expenditures and Transfers	24,627,888	29,231,295	27,019,834
Results of Operations	927,463	1,119,852	153,170
Fund Balance - Beginning	7,743,963	\$8,896,967	\$10,016,819
Fund Balance - Ending	\$8,671,426	\$10,016,819	\$10,169,989
Reserved/Nonspendable and Restricted	\$840,075	2,243,296	1,696,107
Unrestricted/Unassigned	7,831,351	7,773,523	8,473,882
Total Fund Balance	\$8,671,426	\$10,016,819	\$10,169,989
Unreserved Fund Balance as a			
Percentage of Budgeted Expenditures	30.71%	27.99%	28.48%

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$153,170 from Fiscal Year 2012 to \$10,169,989, of which \$8,473,882 is the unrestricted amount. The increase is due primarily to a one-time transfer of reserve funds from IPBC (Intergovernmental Personal Benefit Cooperative) of \$1,128,770. The unrestricted amount increased because of the transfer and without it, a General Fund deficit would have occurred for Fiscal Year 2013. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is for items stated in the previous paragraph. Above is a chart showing a history of the General Fund unreserved/unrestricted fund balance.

The Motor Fuel Tax Fund experienced a \$807,688, or 33% decrease in fund balance. The anticipated decrease in fund balance was due to the continued extension of the street resurfacing project, engineering costs for a bridge restoration and a complete reconstruction of two streets within the Village. Funds were available in the reserves and the Village wanted to repair as many streets as possible with the additional revenues received in previous years.

In January, 2013, Tax Increment Financing District (TIF) #5 was created. It is located around the intersection of Irving Park Road and Wise Road, on the northeast part of the Village. The area was in need of restoration and the goal of TIF # 5 is to encourage growth and redevelopment and stimulate private investment.

The fund balance of the Municipal Building Fund decreased by \$446,224 to \$0. This is due to the outstanding expenses for the completion of the Village Police Headquarters. All outstanding expenses were paid during the Fiscal Year. Going forward, the Municipal Building Fund will be inactivated until another building is built for the municipality.

Proprietary Funds

At April 30, 2013 the Enterprise Funds total net position increased by \$1,682,029 or 5.1% to \$34,667,584. Water Sales increased by 29.4%, mainly due to planned water rate increases. Other revenues were higher than anticipated, including interest revenue.

Village of Hanover Park
Waterworks and Sewerage Fund Revenues

	Fiscal Year		Increase (Decrease)	% Increase Decrease
	2012	2013		
Water Sales	\$ 5,416,483	\$ 7,007,765	\$ 1,591,282	29.4%
Sewer Sales	2,783,286	2,685,114	(98,172)	-3.5%
Leachate Treatment	261,556	175,595	(85,961)	-32.9%
Interest	8,892	10,295	1,403	15.8%
Other Revenues	533,969	1,004,466	470,497	88.1%
Total	<u>\$ 9,004,186</u>	<u>\$ 10,883,235</u>	<u>\$ 1,879,049</u>	<u>20.9%</u>

The Municipal Railroad Parking Lot Fund actual revenues exceeded actual expenditures in Fiscal Year 2013. Total revenues decreased about 3.4% compared to the prior fiscal year indicating a slight decrease in the usage of the parking lot. The decrease in revenues was offset by reduced expenses within the fund and the net position at April 30, 2013 increased \$36,832 from the prior year.

Hanover Square Shopping Center Fund was created during Fiscal Year 2012 with the purchase of the Shopping Center. Revenues and expenditures increased significantly because Fiscal Year 2012 only included about four months of activity. Fiscal Year 2013 financial statements include a full fiscal year. Revenues totaled \$669,670 with the majority coming from rental income. The change in net position during the year was \$53,557 leaving the Fiscal Year 2013 ending net position at \$2,859,663.

Internal Service Funds

During Fiscal Year 2012, the Compensated Absences and the Employee Benefits Funds were dissolved and absorbed into the General Fund. Starting in Fiscal Year 2013, the Central Equipment Fund is the only internal service fund within the Village. The net position of this fund decreased because of the reduced funding levels from the General Fund and the Water and Sewer Fund which resulted in operating expenses exceeding revenues by \$331,845. The General Fund and Waterworks & Sewerage started partially funding the Central Equipment Fund again. Inter-fund transfers of \$893,016 were transferred into the fund throughout the year and \$1,224,861 was spent on equipment purchases. Overall, the net position of the fund decreased \$151,615 from \$7,016,196 to \$6,864,581.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues were \$1,334,130 less than the final budgeted amounts. Overall, tax revenues, including property, sales, real estate and utility taxes, were less than the final budget by a total of \$938,626. Property tax revenues were under budget due to the timing of property tax receipts and reassessments processed throughout the year causing tax refunds. The entire 2012 levy is included in the budget although only approximately one quarter is recognized as revenue in the

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fiscal year. The remainder of the property tax revenue is collections from the 2011 tax levy. Municipal and Home Rule Sales Tax revenues were \$595,072 less than the budgeted amount, partially due the downturn in retail sales throughout Hanover Park. In addition, actual Real Estate Transfer Tax revenues were \$104,784 under the budgeted amount and Food and Beverage Revenues were \$58,769 less. Income Tax revenues exceeded the budgeted amount by \$376,712. The increase indicates more residents are working and earning incomes.

Expenditures within the General Fund were \$1,595,401 or 5.7% less than the final budgeted amount. When the Village realized revenues were coming in less than budgeted and projected to continue, all Departments/Divisions within the General Fund reduced remaining Fiscal Year expenditures including Human Resources, Information Technology, Finance, Police and Fire Departments. Other Financing Uses were lower than budgeted due to lower than expected expenditures in the General Capital Projects. The General Fund and Water and Sewage Fund reimburse the General Capital Projects Fund for budgeted purchases.

<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2013	2013	Actual	
	Original Budget	Final Budget	2013	2012
Revenues	\$ 27,103,770	\$ 28,232,540	\$ 26,898,410	\$ 27,632,075
Expenditures	26,797,845	27,949,265	26,353,864	26,478,929
Excess of Revenues over Expenditures	\$ 305,925	\$ 283,275	\$ 544,546	\$ 1,153,146
Other Financing Sources (Uses)	(555,925)	(555,925)	(391,376)	(33,294)
Net Change in Fund Balance	\$ (250,000)	\$ (272,650)	\$ 153,170	\$ 1,119,852

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, and infrastructure. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2013, amounts to \$99,813,195. This amount represents a net increase (including additions and deductions) of \$28,335 from the prior year.

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Village of Hanover Park
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Land	\$ 28,807,834	\$ 28,870,722	\$ 4,150,013	\$ 4,150,013	\$ 32,957,847	\$ 33,020,735
Construction in progress	394,171	44,759	-	287,011	394,171	331,770
Buildings	24,364,318	23,925,291	8,034,490	7,763,433	32,398,808	31,688,724
Improvements other than Buildings	1,427,100	2,162,251	6,243,062	6,059,689	7,670,162	8,221,940
Machinery and Equipment	4,617,775	4,542,177	1,156,256	1,604,232	5,774,031	6,146,409
Infrastructure	10,558,899	10,290,696	9,030,942	9,112,921	19,589,841	19,403,617
Total	\$ 70,170,097	\$ 69,835,896	\$ 28,614,763	\$ 28,977,299	\$ 98,784,860	\$ 98,813,195

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

- New police, public works, and fire vehicles were purchased.
- Construction was fully completed on the Police Headquarters Building.
- Renovations to Village Hall have begun.
- Improvements have been made to the Hanover Square Shopping Center along Barrington Road.

The governmental activities net capital assets decreased from last year by \$334,201, primarily due to the increase in accumulated depreciation reducing the overall impact on net capital assets. Business-type activities net capital assets increased from last year by \$362,536 because capital asset additions were greater than the accumulated depreciation, including purchase of new vehicles within the Water and Sewer Fund. 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>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
General Obligation Bonds	\$ 22,030,000	\$ 21,300,000	\$ -	\$ -	\$ 22,030,000	\$ 21,300,000
IEPA Loan	-	-	1,919,889	1,606,283	1,919,889	1,606,283
Total	<u>\$ 22,030,000</u>	<u>\$ 21,300,000</u>	<u>\$ 1,919,889</u>	<u>\$ 1,606,283</u>	<u>\$ 23,949,889</u>	<u>\$ 22,906,283</u>

The Village currently has three general obligation bond series and two Illinois EPA loan series outstanding. The Village's total outstanding debt, excluding the net pension obligation and compensated absences liability, decreased by \$1,043,606 or 4.35% during the fiscal year. The key factor in this decrease was due to principal and interest payments. No additional debt was incurred during Fiscal Year 2013.

The Village, under its home rule authority, does not have a legal debt limit. During Fiscal Year 2010, the Village obtained a bond rating of AA from Standard & Poor's which was an upgrade from their 2007 rating of AA-. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 34-37.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

Real estate transfer tax revenues are expected to slightly increase but still remain low during Fiscal Year 2014 due to the continued reduction in residential property values. The number of real estate transfer stamps is expected to increase, but the majority of the revenue generated will be at the lower exempt rate.

A water rate study was completed during Fiscal Year 2012 to evaluate the Village's water and sewer rate structure and provide recommended water and sewer rate alternatives which sufficiently fund future operating and capital needs. As a result of this study, an adjustment to water and sewer rates has been included in the Fiscal Year 2013 which includes a 22% increase in water rates on May 1, 2012, followed by an 18% increase on January 1, 2013. Fiscal Year 2014 will include a water rate increase of 15%. An increase in sewer rates was also applied during the same time from

of 2.0% in January, 2012, 3.0% in January, 2013, and an additional 3.0% in January, 2014. Commuter parking lot fee changes increased in October, 2012 and are \$1.50 for a daily parking fee or \$30 for a monthly parking pass.

Budgeted expenditures include increases due to salary adjustments which are part of employee labor agreements. Employee health insurance and pension costs have decreased over the last year, but it they are expected to increase in Fiscal Year 2014. Contractual Services expenditures are expected to increase slightly with the mindset to work with consultants to help develop areas within the community. Capital Outlay is also expected to increase in Fiscal Year 2014 when the upgraded Software System is purchased.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,060,983	\$ 6,301,968	\$ 23,362,951
Receivables (net of allowances for uncollectibles)			
Property taxes	9,573,465	-	9,573,465
Accounts	281,416	2,228,908	2,510,324
Accrued interest	63,631	2,504	66,135
Other	-	115,259	115,259
Prepaid expenses	929,632	296,890	1,226,522
Inventory	34,237	-	34,237
Due from other governments	3,120,336	-	3,120,336
Net pension asset	295,532	-	295,532
Capital assets			
Nondepreciable	28,915,481	4,437,024	33,352,505
Depreciable, net of accumulated depreciation	40,920,415	24,540,275	65,460,690
Total assets	101,195,128	37,922,828	139,117,956
LIABILITIES			
Accounts payable	1,148,318	1,253,011	2,401,329
Accrued payroll	408,296	74,687	482,983
Contractors' payable	25,479	41,051	66,530
Accrued interest	402,403	5,884	408,287
Deposits	-	10,625	10,625
Unearned revenue	159,679	67,979	227,658
Due to other governments	46,047	-	46,047
Other payables	772,735	19,698	792,433
Long-term liabilities			
Due within one year	857,434	325,967	1,183,401
Due in more than one year	22,645,138	1,456,342	24,101,480
Total liabilities	26,465,529	3,255,244	29,720,773
DEFERRED INFLOWS OF RESOURCES			
Unearned property taxes	9,573,465	-	9,573,465
Total deferred inflows of resources	9,573,465	-	9,573,465
Total liabilities and deferred inflows of resources	36,038,994	3,255,244	39,294,238
NET POSITION			
Net investment in capital assets	48,546,851	27,371,016	75,917,867
Restricted for			
Public safety	134,910	-	134,910
Highways and streets	2,507,895	-	2,507,895
Debt service	370,984	-	370,984
Community development	1,552,532	-	1,552,532
Special service areas	263,380	-	263,380
Unrestricted	11,779,582	7,296,568	19,076,150
TOTAL NET POSITION	\$ 65,156,134	\$ 34,667,584	\$ 99,823,718

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,988,649	\$ 1,157,752	\$ -	\$ -
Community development	711,260	22,493	-	-
Public safety	18,014,749	2,045,438	24,377	1,818
Public works	4,070,954	150,684	3,900	284,987
Highways and streets	3,946,982	-	1,200,061	31,201
Interest	1,054,210	-	-	-
Total governmental activities	32,786,804	3,376,367	1,228,338	318,006
Business-Type Activities				
Water and sewer	8,976,177	10,210,092	-	688,932
Parking	280,836	317,446	-	-
Hanover Square	694,736	669,670	-	-
Total business-type activities	9,951,749	11,197,208	-	688,932
TOTAL PRIMARY GOVERNMENT	\$ 42,738,553	\$ 14,573,575	\$ 1,228,338	\$ 1,006,938

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,830,897)	\$ -	\$ (3,830,897)
	(688,767)	-	(688,767)
	(15,943,116)	-	(15,943,116)
	(3,631,383)	-	(3,631,383)
	(2,715,720)	-	(2,715,720)
	(1,054,210)	-	(1,054,210)
	(27,864,093)	-	(27,864,093)
	-	1,922,847	1,922,847
	-	36,610	36,610
	-	(25,066)	(25,066)
	-	1,934,391	1,934,391
	(27,864,093)	1,934,391	(25,929,702)
General Revenues			
Taxes			
Property	13,110,176	-	13,110,176
Replacement	82,765	-	82,765
Sales and local use	7,394,170	-	7,394,170
Utility	1,621,854	-	1,621,854
Hotel/motel	36,686	-	36,686
Food and beverage	1,018,775	-	1,018,775
Real estate transfer	203,400	-	203,400
Other taxes	21,665	-	21,665
Intergovernmental	3,422,147	-	3,422,147
Investment income	106,443	10,825	117,268
Miscellaneous	99,397	52,231	151,628
Transfers in (out)	315,418	(315,418)	-
Total	27,432,896	(252,362)	27,180,534
CHANGE IN NET POSITION	(431,197)	1,682,029	1,250,832
NET POSITION, MAY 1	65,811,675	32,985,555	98,797,230
Prior period adjustment	(224,344)	-	(224,344)
NET POSITION, MAY 1, RESTATED	65,587,331	32,985,555	98,572,886
NET POSITION, APRIL 30	\$ 65,156,134	\$ 34,667,584	\$ 99,823,718

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2013

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 7,332,734	\$ 1,688,457	\$ 4,028,635	\$ 13,049,826
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	8,051,932	-	1,521,533	9,573,465
Accounts	189,581	398	91,437	281,416
Accrued interest	25,898	1,400	108	27,406
Prepaid items	929,632	-	-	929,632
Inventory	34,237	-	-	34,237
Due from other governments	3,023,535	65,303	31,498	3,120,336
Advances to other funds	597,328	-	-	597,328
TOTAL ASSETS	\$ 20,184,877	\$ 1,755,558	\$ 5,673,211	\$ 27,613,646
LIABILITIES				
Accounts payable	\$ 494,707	\$ 110,630	\$ 357,709	\$ 963,046
Contractors' payable	-	4,492	20,987	25,479
Accrued payroll	401,818	3,988	2,490	408,296
Unearned revenue	263,690	-	130,000	393,690
Due to other governments	46,047	-	-	46,047
Other payables	756,694	-	16,041	772,735
Advances from other funds	-	-	597,328	597,328
Total liabilities	1,962,956	119,110	1,124,555	3,206,621
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	8,051,932	-	1,521,533	9,573,465
Total deferred inflows of resources	8,051,932	-	1,521,533	9,573,465
Total liabilities and deferred inflows of resources	10,014,888	119,110	2,646,088	12,780,086
FUND BALANCES				
Nonspendable				
Inventory	34,237	-	-	34,237
Prepaid items	929,632	-	-	929,632
Advances to other funds	597,328	-	-	597,328
Restricted				
Public safety	134,910	-	-	134,910
Highways and streets	-	1,636,448	871,447	2,507,895
Debt service	-	-	370,984	370,984
Community development	-	-	1,552,532	1,552,532
Special service areas	-	-	263,380	263,380
Unrestricted				
Assigned				
Capital improvements	-	-	273,045	273,045
Unassigned (deficit)	8,473,882	-	(304,265)	8,169,617
Total fund balances	10,169,989	1,636,448	3,027,123	14,833,560
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,184,877	\$ 1,755,558	\$ 5,673,211	\$ 27,613,646

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 14,833,560
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	69,835,896
Less amount reported in internal service funds below	(3,002,471)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(21,300,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	10,955
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(402,403)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(948,674)
Net pension asset for the Police Pension Fund is shown as an asset on the statement of net position	295,532
Net pension obligation for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(113,273)
Net other postemployment benefits obligations is due and payable in the current period and, therefore, are not reported in the governmental funds	(1,151,580)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	234,011
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>6,864,581</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 65,156,134</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2013

	General	Motor Fuel Tax	Nonmajor Governmental	Total Governmental
REVENUES				
Taxes	\$ 19,738,631	\$ -	\$ 3,668,095	\$ 23,406,726
Licenses and permits	979,424	-	-	979,424
Charges for services	1,720,380	-	-	1,720,380
Fines and forfeits	660,603	-	-	660,603
Intergovernmental	3,548,966	1,114,766	322,194	4,985,926
Investment income	92,279	6,801	7,363	106,443
Miscellaneous	158,127	-	22,560	180,687
Total revenues	26,898,410	1,121,567	4,020,212	32,040,189
EXPENDITURES				
Current				
General government	4,923,925	-	-	4,923,925
Community development	153,417	-	814,809	968,226
Public safety	17,388,396	-	-	17,388,396
Public works	3,888,126	-	-	3,888,126
Highways and streets	-	701,574	50,698	752,272
Capital outlay	-	1,227,681	1,960,646	3,188,327
Debt service				
Principal retirement	-	-	730,000	730,000
Interest	-	-	1,071,822	1,071,822
Fiscal charges	-	-	1,784	1,784
Total expenditures	26,353,864	1,929,255	4,629,759	32,912,878
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	544,546	(807,688)	(609,547)	(872,689)
OTHER FINANCING SOURCES (USES)				
Transfers in	274,594	-	924,011	1,198,605
Transfers (out)	(665,970)	-	(217,217)	(883,187)
Total other financing sources (uses)	(391,376)	-	706,794	315,418
NET CHANGE IN FUND BALANCES	153,170	(807,688)	97,247	(557,271)
FUND BALANCES, MAY 1	10,016,819	2,444,136	2,929,876	15,390,831
FUND BALANCES, APRIL 30	\$ 10,169,989	\$ 1,636,448	\$ 3,027,123	\$ 14,833,560

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

For the Year Ended April 30, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (557,271)
Amounts reported for governmental activities in the statement activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,134,313
Certain revenues are deferred in governmental funds but not in governmental activities	74,358
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	730,000
The decrease in accrued interest payable is shown as an addition to expense on the statement of activities	17,769
Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(1,998,958)
Amortization	1,627
Less amount reported in internal service funds below	473,367
Gains (losses) on the disposal of capital assets is reported in the governmental activities.	(44,310)
The decrease in net pension asset is reported as an increase in expense on the statement of activities	2,272
The increase in net pension obligation is reported as an increase in expense on the statement of activities	(1,763)
The increase in the compensated absences liability is an expense on the statement of activities	(55,712)
The change in net other postemployment benefits obligations are reported only in the statement of activities	(55,274)
The change in net position of certain activities of internal service funds is in governmental funds	<u>(151,615)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (431,197)</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

April 30, 2013

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 5,984,200	\$ 317,768	\$ 6,301,968	\$ 4,011,157
Receivables				
Accounts	2,210,647	18,261	2,228,908	-
Accrued interest	2,504	-	2,504	36,225
Other	108,274	6,985	115,259	-
Prepaid expenses	261,528	35,362	296,890	-
Total current assets	8,567,153	378,376	8,945,529	4,047,382
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	937,116	3,499,908	4,437,024	-
Depreciable, net of accumulated depreciation	22,596,065	1,944,210	24,540,275	3,002,471
Total noncurrent assets	23,533,181	5,444,118	28,977,299	3,002,471
Total assets	32,100,334	5,822,494	37,922,828	7,049,853
CURRENT LIABILITIES				
Accounts payable	893,379	359,632	1,253,011	185,272
Contractors' payable	13,330	27,721	41,051	-
Accrued payroll	70,685	4,002	74,687	-
Accrued interest	5,884	-	5,884	-
Deposits	10,625	-	10,625	-
Unearned revenue	-	67,979	67,979	-
Notes payable - EPA	322,309	-	322,309	-
Other payables	-	19,698	19,698	-
Compensated absences payable	3,658	-	3,658	-
Total current liabilities	1,319,870	479,032	1,798,902	185,272
LONG-TERM LIABILITIES				
Compensated absences	69,503	-	69,503	-
Notes payable - EPA	1,283,974	-	1,283,974	-
Net other postemployment benefit obligation	102,865	-	102,865	-
Total long-term liabilities	1,456,342	-	1,456,342	-
Total liabilities	2,776,212	479,032	3,255,244	185,272
NET POSITION				
Net investment in capital assets	21,926,898	5,444,118	27,371,016	3,002,471
Unrestricted	7,397,224	(100,656)	7,296,568	3,862,110
TOTAL NET POSITION	\$ 29,324,122	\$ 5,343,462	\$ 34,667,584	\$ 6,864,581

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 10,210,092	\$ 987,116	\$ 11,197,208	\$ 893,016
Total operating revenues	10,210,092	987,116	11,197,208	893,016
OPERATING EXPENSES				
Administration	1,363,051	-	1,363,051	-
Operations	6,651,256	913,039	7,564,295	650,107
Depreciation and amortization	912,294	62,533	974,827	473,367
Total operating expenses	8,926,601	975,572	9,902,173	1,123,474
OPERATING INCOME (LOSS)	1,283,491	11,544	1,295,035	(230,458)
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(49,576)	-	(49,576)	-
Investment income	10,295	530	10,825	21,274
Other income	29,566	22,665	52,231	-
Gain (loss) on disposal of capital assets	-	-	-	7,569
Total nonoperating revenues (expenses)	(9,715)	23,195	13,480	28,843
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,273,776	34,739	1,308,515	(201,615)
TRANSFERS IN (OUT)				
Transfer (out)	(315,418)	-	(315,418)	-
Total transfers in (out)	(315,418)	-	(315,418)	-
CONTRIBUTIONS	633,282	55,650	688,932	50,000
CHANGE IN NET POSITION	1,591,640	90,389	1,682,029	(151,615)
NET POSITION, MAY 1	27,732,482	5,253,073	32,985,555	7,016,196
NET POSITION, APRIL 30	\$ 29,324,122	\$ 5,343,462	\$ 34,667,584	\$ 6,864,581

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 9,956,575	\$ 1,022,619	\$ 10,979,194	\$ -
Receipts from interfund services	-	-	-	893,016
Payments to suppliers	(5,185,858)	(732,663)	(5,918,521)	(650,107)
Payments to employees	(2,732,222)	(145,514)	(2,877,736)	-
Net cash from operating activities	2,038,495	144,442	2,182,937	242,909
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (out)	(315,418)	-	(315,418)	-
Net cash from noncapital financing activities	(315,418)	-	(315,418)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(340,985)	(266,395)	(607,380)	(346,480)
Proceeds from sale of capital assets	-	-	-	7,569
Principal paid on EPA loans	(313,606)	-	(313,606)	-
Interest paid on EPA loans	(50,422)	-	(50,422)	-
Net cash from capital and related financing activities	(705,013)	(266,395)	(971,408)	(338,911)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(518)	-	(518)	(5,442)
Interest received	9,083	530	9,613	14,276
Net cash from investing activities	8,565	530	9,095	8,834
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,026,629	(121,423)	905,206	(87,168)
CASH AND CASH EQUIVALENTS, MAY 1	4,631,971	439,191	5,071,162	3,552,760
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 5,658,600	\$ 317,768	\$ 5,976,368	\$ 3,465,592

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,283,491	\$ 11,544	\$ 1,295,035	\$ (230,458)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	912,294	62,533	974,827	473,367
Other nonoperating revenues	29,566	22,665	52,231	-
Changes in assets and liabilities				
Receivables	(325,073)	1,030	(324,043)	-
Prepaid expenses	31,500	(4,823)	26,677	-
Accounts payable	89,723	41,202	130,925	-
Accrued payroll	11,292	998	12,290	-
Contractors deposits	3,000	-	3,000	-
Deferred revenue	-	6,413	6,413	-
Compensated absences	(2,236)	-	(2,236)	-
Other payables	-	2,880	2,880	-
Net other postemployment benefit obligation	4,938	-	4,938	-
NET CASH FROM OPERATING ACTIVITIES	\$ 2,038,495	\$ 144,442	\$ 2,182,937	\$ 242,909
CASH AND INVESTMENTS				
Cash and cash equivalents	\$ 5,658,600	\$ 317,768	\$ 5,976,368	\$ 3,465,592
Investments	325,600	-	325,600	545,565
TOTAL CASH AND INVESTMENTS	\$ 5,984,200	\$ 317,768	\$ 6,301,968	\$ 4,011,157
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset contributions	\$ 633,282	\$ 55,650	\$ 688,932	\$ 50,000

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2013

	<u>Pension Trust</u>
ASSETS	
Cash and cash equivalents	\$ 927,788
Investments	
U.S. government and agency obligations	16,154,089
State and local obligations	60,134
Money market mutual funds	125,378
Mutual funds	19,363,234
Illinois Metropolitan Investment Fund	331,383
Receivables	
Accrued interest	82,210
Prepaid items	<u>3,991</u>
Total assets	<u>37,048,207</u>
LIABILITIES	
Accounts payable	<u>5,451</u>
Total liabilities	<u>5,451</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 37,042,756</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2013

ADDITIONS

Contributions

Employer contributions	\$ 2,473,003
Employee contributions	757,888
Other contributions	204

Total contributions	<u>3,231,095</u>
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Investment income

Net appreciation (depreciation) in fair value of investments	2,451,624
Interest	903,695

Total investment income	3,355,319
Less investment expense	<u>(69,931)</u>

Net investment income	<u>3,285,388</u>
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Total additions	<u>6,516,483</u>
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DEDUCTIONS

Benefits and refunds	2,298,607
Administrative expenses	46,625

Total deductions	<u>2,345,232</u>
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NET INCREASE	4,171,251
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NET POSITION HELD IN TRUST
FOR PENSION BENEFITS

May 1	<u>32,871,505</u>
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April 30	<u>\$ 37,042,756</u>
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See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village was incorporated in 1958. The Village is a municipal corporation governed by an elected seven-member Board. The Village operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning and general administrative services. As required by GAAP, these financial statements present the Village (the primary government) and its component units.

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

Police Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

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

b. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

Additionally, the Village reports the following internal service fund:

Internal service funds account for the Village's equipment replacement program, the program for funding compensated absences related to governmental activities (closed this year) and the program for funding other postemployment benefit liabilities related to governmental activities (closed this year).

The Village reports the following fiduciary funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

f. Interfund Receivables/Payables

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Inventories

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

h. Prepaid Items/Expenses

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

i. Capital Assets

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

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

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

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

j. Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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

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

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

k. Long-Term Obligations

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

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

l. Fund Equity/Net Position

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Use of Estimates

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

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The Special Service Area #6 and Tax Increment Financing #5 Funds reported deficit fund balances of \$290,901 and \$13,364, respectively. These deficits are expected to be funded by future tax levies.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

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

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

a. Village Deposits with Financial Institutions

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

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 101,388	\$ -	\$ 101,388	\$ -	\$ -
TOTAL	\$ 101,388	\$ -	\$ 101,388	\$ -	\$ -

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)

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%

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

Diversification by Financial Institution (Continued)

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

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

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

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

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 6,299,409	\$ 1,743,300	\$ 3,205,835	\$ 1,350,274	\$ -
U.S. Agency obligations	4,018,170	566	2,020,478	1,787,993	209,133
State and Local obligations	60,134	10,077	-	50,057	-
TOTAL	\$ 10,377,713	\$ 1,753,943	\$ 5,226,313	\$ 3,188,324	\$ 209,133

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

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

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

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

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

e. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 4,822,991	\$ 1,554,845	\$ 2,052,625	\$ 1,215,521	\$ -
U.S. Agency obligations	1,013,519	-	534,066	226,064	253,389
TOTAL	\$ 5,836,510	\$ 1,554,845	\$ 2,586,691	\$ 1,441,585	\$ 253,389

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

3. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

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

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

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

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

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

4. RECEIVABLES - TAXES

Property taxes for 2012 attached as an enforceable lien on January 1, 2012, 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, 2013 and are payable in two installments, on or about June 1, 2013 and September 1, 2013. Tax bills are prepared by Cook County and issued on or about February 1, 2013 and July 1, 2013 and are payable March 1, 2013 and August 1, 2013. The counties collect such taxes and remit them periodically. The uncollected portion of the 2012 levy has been recorded as receivable and deferred revenue at April 30, 2013.

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

4. RECEIVABLES - TAXES (Continued)

The 2013 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has not been recorded as a receivable as of April 30, 2013 as the tax has not yet been levied by the Village and will not be levied until December 2013 and, therefore, the levy is not measurable at April 30, 2013.

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,715,270	\$ 62,888	\$ -	\$ 3,778,158
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	394,171	44,759	394,171	44,759
Total capital assets not being depreciated	29,202,005	107,647	394,171	28,915,481
Capital assets being depreciated				
Buildings	28,670,140	208,284	-	28,878,424
Machinery, equipment and vehicles	9,631,097	617,731	151,812	10,097,016
Improvements other than buildings	1,969,319	834,738	18,797	2,785,260
Infrastructure	32,881,884	334,838	-	33,216,722
Total capital assets being depreciated	73,152,440	1,995,591	170,609	74,977,422
Less accumulated depreciation for				
Buildings	4,305,822	647,311	-	4,953,133
Machinery, equipment and vehicles	5,013,322	656,459	114,942	5,554,839
Improvements other than buildings	542,219	92,147	11,357	623,009
Infrastructure	22,322,985	603,041	-	22,926,026
Total accumulated depreciation	32,184,348	1,998,958	126,299	34,057,007
Total capital assets being depreciated, net	40,968,092	(3,367)	44,310	40,920,415
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 70,170,097	\$ 104,280	\$ 438,481	\$ 69,835,896

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 97,738
Community development	842
Public safety	865,321
Public works	1,035,057
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 1,998,958

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

5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,150,013	\$ -	\$ -	\$ 4,150,013
Construction in progress	-	287,011	-	287,011
Total capital assets not being depreciated	4,150,013	287,011	-	4,437,024
Capital assets being depreciated				
Buildings and structures	13,472,758	-	-	13,472,758
Machinery, equipment and vehicles	3,377,457	633,282	179,838	3,830,901
Underground systems	14,029,127	354,315	-	14,383,442
Improvements other than buildings	9,633,626	62,755	-	9,696,381
Total capital assets being depreciated	40,512,968	1,050,352	179,838	41,383,482
Less accumulated depreciation for				
Building and structures	5,438,268	271,057	-	5,709,325
Machinery and equipment	2,221,201	185,306	179,838	2,226,669
Underground systems	4,998,185	272,336	-	5,270,521
Improvements other than buildings	3,390,564	246,128	-	3,636,692
Total accumulated depreciation	16,048,218	974,827	179,838	16,843,207
Total capital assets being depreciated, net	24,464,750	75,525	-	24,540,275
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 28,614,763	\$ 362,536	\$ -	\$ 28,977,299

6. RISK MANAGEMENT

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

a. Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

6. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (IRMA)

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

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

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

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of April 30, 2013.

7. LONG-TERM DEBT

a. General Obligation Bonds

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

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

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

	Fund Debt Retired by	Balances May 1	Additions	Reductions and Defeasance	Balances April 30	Current Portion
\$10,000,000 General Obligation Bond Series of 2010, due in annual installments of \$280,000 to \$1,255,000 plus interest ranging from 1.78% to 6.00% through December 1, 2029.	Debt Service	\$ 10,000,000	\$ -	\$ 280,000	\$ 9,720,000	\$ 285,000
\$5,000,000 General Obligation Bond Series of 2010A, due in annual installments of \$50,000 to \$1,500,000 plus interest ranging from 2.15% to 5.50% through December 1, 2030.	Debt Service	5,000,000	-	-	5,000,000	50,000
\$7,030,000 General Obligation Refunding Bond Series of 2011, due in annual installments of \$450,000 to \$645,000 plus interest ranging from 2.00% to 3.25% through December 1, 2024.	Debt Service	7,030,000	-	450,000	6,580,000	475,000
TOTAL		\$ 22,030,000	\$ -	\$ 730,000	\$ 21,300,000	\$ 810,000

b. Illinois Environmental Protection Agency (EPA) Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
1997 EPA Loan I	Waterworks and Sewerage	\$ 1,142,180	\$ -	\$ 215,846	\$ 926,334	\$ 221,965
2000 EPA Loan II	Waterworks and Sewerage	777,709	-	97,760	679,949	100,344
TOTAL		\$ 1,919,889	\$ -	\$ 313,606	\$ 1,606,283	\$ 322,309

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

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		EPA Loans	
	Principal	Interest	Principal	Interest
2014	\$ 810,000	\$ 975,360	\$ 322,309	\$ 41,719
2015	875,000	958,088	331,252	32,776
2016	945,000	937,472	340,444	23,584
2017	985,000	912,942	349,893	14,136
2018	1,030,000	884,930	111,376	6,162
2019	1,050,000	852,954	114,319	3,219
2020	1,070,000	818,218	36,690	482
2021	1,095,000	779,516	-	-
2022	1,120,000	735,760	-	-
2023	1,145,000	688,998	-	-
2024	1,180,000	640,668	-	-
2025	1,235,000	591,048	-	-
2026	1,345,000	536,313	-	-
2027	1,405,000	459,914	-	-
2028	1,445,000	377,630	-	-
2029	1,510,000	292,480	-	-
2030	1,555,000	201,300	-	-
2031	1,500,000	105,000	-	-
TOTAL	\$ 21,300,000	\$ 11,748,591	\$ 1,606,283	\$ 122,078

d. Changes in Long-Term Liabilities

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

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 22,030,000	\$ -	\$ 730,000	\$ 21,300,000	\$ 810,000
Add unamortized bond premium	95,434	-	7,341	88,093	-
Less unamortized bond discount	(104,762)	-	(5,714)	(99,048)	-
Compensated absences*	892,962	111,173	55,461	948,674	47,434
Net pension obligation*	111,510	1,763	-	113,273	-
Net other postemployment benefit obligation*	1,096,306	55,274	-	1,151,580	-
TOTAL	\$ 24,121,450	\$ 168,210	\$ 787,088	\$ 23,502,572	\$ 857,434

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

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

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

	Balances			Balances	
	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA loans	\$ 1,919,889	\$ -	\$ 313,606	\$ 1,606,283	\$ 322,309
Compensated absences	75,397	1,534	3,770	73,161	3,658
Net other postemployment benefit obligation	97,927	4,938	-	102,865	-
TOTAL	\$ 2,093,213	\$ 6,472	\$ 317,376	\$ 1,782,309	\$ 325,967

e. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

f. Conduit Debt

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial facilities deemed to be in the public interest and to provide financing for low interest mortgages to qualified applicants. The bonds are secured solely by the property or mortgages financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2013, there was one IDRB outstanding with outstanding principal of \$425,000.

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

8. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 425,000
General	Nonmajor governmental	104,351
General	Nonmajor governmental	<u>67,977</u>
TOTAL		<u>\$ 597,328</u>

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

- \$425,000 advance from the General Fund to the Special Service Area #6 Fund to cover eligible nonbuilding improvements such as road and lot paving.
- \$104,351 and \$67,977 advance from the General Fund to the Tax Increment Financing #4 and Special Service Area #6 Funds, respectively, in anticipation of future receipts.

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
General	Waterworks and Sewerage	\$ 274,594
Nonmajor governmental	General	665,970
Nonmajor governmental	Waterworks and Sewerage	40,824
Nonmajor governmental	Nonmajor governmental	<u>217,217</u>
TOTAL		<u>\$ 1,198,605</u>

Interfund transfers during the year ended April 30, 2013 consisted of the following:

- \$274,594 transferred from the Waterworks and Sewerage Fund to the General Fund for maintenance work reimbursement.
- \$665,970 and \$40,824 transferred from the General Fund and Waterworks and Sewerage Fund, respectively, to the General Capital Projects Fund to cover project expenditures.
- \$217,217 transferred from the Municipal Building Fund to the General Obligation Bond Series of 2010 Fund, to close the fund.

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

9. COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

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

<u>Fiscal Year Ending April 30,</u>	<u>Amount</u>
2014	\$ 1,560,402
2015	1,841,735
2016	1,203,903
2017	699,987
2018	699,610
2019	699,924
2020	698,185
2021	<u>697,641</u>
	<u>\$ 8,101,387</u>

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

10. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

10. CONTINGENT LIABILITIES (Continued)

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

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

d. Economic Incentive Agreements

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2013, three agreements have been in effect for businesses that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2019. For the second agreement, a maximum of \$2,500,000 is to be paid or until 20 year elapses, whichever occurs first. For the third agreement, a maximum of \$750,000 is to be paid or until 20 years elapses, whichever occurs first. The amount paid/accrued for the fiscal year ended April 30, 2013 was \$1,862,942. The total expenditures incurred to date in rebates for the currently effective agreements as of April 30, 2013 is \$8,006,514.

The Village has entered into an economic development agreement with one company to provide property tax rebates. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total expenditures incurred under this agreement is \$462,611 as of April 30, 2013.

The Village issued a note receivable to a local business for \$700,000 in September 2009, bearing 0% interest. The payments are satisfied by and are contingent on the generation of incremental property taxes; therefore, no receivable has been recorded by the Village as of April 30, 2013. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.

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

11. JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

Description of Joint Venture

The Village is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of April 30, 2013 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	17.70%
Village of Hanover Park	9.90%
Village of Hoffman Estates	16.00%
Village of Mount Prospect	11.40%
City of Rolling Meadows	8.20%
Village of Schaumburg	28.80%
Village of Streamwood	<u>8.00%</u>
 TOTAL	 <u><u>100.00%</u></u>

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

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

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

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

11. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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

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

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

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

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

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

In accordance with the joint venture agreement, the Village remitted \$2,770,346 to JAWA for the year ended April 30, 2013. All payments were paid from the Waterworks and Sewerage Fund.

12. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2012, 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, 2012, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2012 was 14.00%.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (SLEP)

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next ten years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. There was no required employer contribution for calendar years ended 2011, 2012 or 2013.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	32
Nonvested	29
	<hr/>
TOTAL	<u>92</u>

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

Tier 2 employees (those hired on or after January 1, 2012) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past service costs for the Police Pension Plan. For the year ended April 30, 2012, the Village's contribution was 27.92% of covered payroll.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	19
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	12
Nonvested	22
	<hr/>
TOTAL	<u>55</u>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2040 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2012, the Village's contribution was 26.20% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Method Used to Value Investments

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

Significant Investments

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

Plan	Organization	Amount
Police Pension	Dimensional Advisor US Vector Equity	\$ 1,271,408
	Dimensional US Small Cap	1,819,382
	Dimensional US Large Cap	1,796,399
	Dimensional US Small Cap	1,525,865
	Spartan International Index	1,781,801
	Spartan 500 Index Fund	1,476,722
		<u>\$ 9,671,577</u>

Plan	Organization	Amount
Firefighters' Pension	Spartan International Index	\$ 970,974
	Spartan 500 Index Fund	791,186
	Dimensional Advisor US Vector Equity	694,746
	Dimensional Advisor US Small Cap Value	990,709
	Dimensional Advisor US Large Cap Value	987,746
	Dimensional Advisor US Small Cap	827,356
		<u>\$ 5,262,717</u>

Administrative Costs

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs

The annual pension costs (APC) and the net pension obligation (asset) (NPO) as of April 30, 2013 were derived from the actuarial valuations performed as of the dates and using the assumptions noted below:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2010	December 31, 2010	May 1, 2011	May 1, 2011
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market Value	Market Value
Amortization method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Amortization period	30 Years, Open	30 Years, Open	22 Years, Closed	22 Years, Closed
Significant actuarial assumptions				
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10%	.40% to 10%	5.50%	5.50%
d) Postretirement benefit increases	3.00%	3.00%	3.00%	3.00%

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Trend Information

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

	For Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Annual pension cost (APC)	2011	\$ 800,063	\$ -
	2012	872,864	-
	2013	882,144	-
Actual contributions	2011	\$ 385,332	\$ -
	2012	1,029,138	-
	2013	882,144	-
Percentage of APC contributed	2011	85.66%	N/A
	2012	117.90%	N/A
	2013	100.00%	-
NPO (asset)	2011	\$ 156,274	\$ -
	2012	-	-
	2013	-	-
	For Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2011	\$ 1,298,197	\$ 700,382
	2012	1,557,255	808,220
	2013	1,655,434	817,060
Actuarial contributions	2011	\$ 1,302,480	\$ 698,763
	2012	1,562,318	805,643
	2013	1,657,706	815,297
Percentage of APC contributed	2011	100.33%	99.77%
	2012	100.33%	99.68%
	2013	100.14%	99.78%
NPO (asset)	2011	\$ (288,197)	\$ 108,933
	2012	(293,260)	111,510
	2013	(295,532)	113,273

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Net Pension Obligation

The Village's annual pension cost and net pension obligation for the year ended April 30, 2013 were as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual required contributions	\$ 869,497	\$ 1,657,706	\$ 815,297
Interest on net pension obligation	11,721	(21,261)	8,084
Adjustment to annual required contribution	(8,354)	18,989	(6,321)
Annual pension cost	872,864	1,655,434	817,060
Contributions made	1,029,138	1,657,706	815,297
(Increase) decrease in net pension obligation (asset)	(156,274)	(2,272)	1,763
Net pension obligation (asset), beginning of year	156,274	(293,260)	111,510
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ -	\$ (295,532)	\$ 113,273

The funded status of the plans as of April 30, 2013, based on actuarial valuations performed as of the same date for the Police and Firefighters' Pension Plans and as of December 31, 2012 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same as actuarial assumptions used to determine the employer annual pension costs of the plans as disclosed in Note 12-c.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 21,473,671	\$ -	\$ 38,705,823	\$ 19,680,258
Actuarial value of plan assets	13,945,121	23,417	21,019,429	11,869,263
Unfunded actuarial accrued liability (UAAL)	7,528,520	(23,417)	17,686,394	7,810,995
Funded ratio (actuarial value of plan assets/AAL)	64.94%	0.00%	54.31%	60.31%
Covered payroll (active plan members)	\$ 6,301,030	\$ -	\$ 4,760,070	\$ 2,672,762
UAAL as a percentage of covered payroll	119.48%	0.00%	371.56%	292.24%

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements

Schedule of Net Position as of April 30, 2013.

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 626,230	\$ 301,558	\$ 927,788
Investments			
U.S. Government and agency obligations	10,317,579	5,836,510	16,154,089
State and local obligations	60,134	-	60,134
Money market mutual funds	-	125,378	125,378
Mutual funds	12,519,813	6,843,421	19,363,234
Illinois Metropolitan Investment Fund	130,633	200,750	331,383
Receivables			
Accrued interest	61,884	20,326	82,210
Prepaid items	917	3,074	3,991
	<u>23,717,190</u>	<u>13,331,017</u>	<u>37,048,207</u>
LIABILITIES			
Accounts payable	<u>4,751</u>	<u>700</u>	<u>5,451</u>
	<u>4,751</u>	<u>700</u>	<u>5,451</u>
NET POSITION	<u>\$ 23,712,439</u>	<u>\$ 13,330,317</u>	<u>\$ 37,042,756</u>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Summary Financial Statements (Continued)

Schedule of Changes in Net Position for the year ended April 30, 2013.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,657,706	\$ 815,297	\$ 2,473,003
Employee	475,746	282,142	757,888
Other contributions	204	-	204
	<hr/>		
Total contributions	2,133,656	1,097,439	3,231,095
	<hr/>		
Investment income			
Net appreciation (depreciation) in fair value of investments	1,589,277	862,347	2,451,624
Interest income	582,426	321,269	903,695
Less investment expense	(43,037)	(26,894)	(69,931)
	<hr/>		
Net investment income	2,128,666	1,156,722	3,285,388
	<hr/>		
Total additions	4,262,322	2,254,161	6,516,483
	<hr/>		
DEDUCTIONS			
Benefits and refunds	1,548,170	750,437	2,298,607
Administrative expenses	21,142	25,483	46,625
	<hr/>		
Total deductions	1,569,312	775,920	2,345,232
	<hr/>		
NET INCREASE	2,693,010	1,478,241	4,171,251
<hr/>			
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	21,019,429	11,852,076	32,871,505
	<hr/>		
April 31	\$ 23,712,439	\$ 13,330,317	\$ 37,042,756
	<hr/>		

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At April 30, 2013, membership consisted of:

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

d. Funding Policy

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

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2012. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 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, 2011	\$ 416,739	\$ 143,279	34.38%	\$ 1,111,974
April 30, 2012	229,836	147,577	64.21%	1,194,233
April 30, 2013	219,255	159,043	72.54%	1,254,445

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 211,303
Interest on net OPEB obligation	47,769
Adjustment to annual required contribution	<u>(39,817)</u>
Annual OPEB cost	219,255
Contributions made	<u>159,043</u>
Increase in net OPEB obligation	60,212
Net OPEB obligation, beginning of year	<u>1,194,233</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 1,254,445</u>

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

Actuarial accrued liability (AAL)	\$ 5,484,303
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	5,484,303
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 14,706,941
UAAL as a percentage of covered payroll	37.29%

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

14. PRIOR PERIOD ADJUSTMENT

Net position of governmental activities have been restated by \$(224,344) as of May 1, 2012 due to the elimination of previous bond issuance costs, which were being amortized over the life of the bonds. With the implementation of GASB Statement No. 65, the Village is required to expense these amounts as the bonds are issued and to apply this change retroactively.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 20,677,257	\$ 20,677,257	\$ 19,738,631
Licenses and permits	854,488	854,488	979,424
Charges for services	1,627,700	1,627,700	1,720,380
Fines and forfeits	618,770	618,770	660,603
Intergovernmental	3,171,650	3,171,650	3,548,966
Investment income	31,344	31,344	92,279
Miscellaneous	122,561	1,251,331	158,127
Total revenues	27,103,770	28,232,540	26,898,410
EXPENDITURES			
Current			
General government	5,665,448	5,752,667	4,923,925
Community development	193,593	193,593	153,417
Public safety	16,993,883	17,978,896	17,388,396
Public works	3,944,921	4,024,109	3,888,126
Total expenditures	26,797,845	27,949,265	26,353,864
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	305,925	283,275	544,546
OTHER FINANCING SOURCES (USES)			
Transfers in	422,507	422,507	274,594
Transfers (out)	(978,432)	(978,432)	(665,970)
Total other financing sources (uses)	(555,925)	(555,925)	(391,376)
NET CHANGE IN FUND BALANCES	\$ (250,000)	\$ (272,650)	153,170
FUND BALANCE, MAY 1			10,016,819
FUND BALANCE, APRIL 30			\$ 10,169,989

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Allotments earned	\$ 915,149	\$ 915,149	\$ 1,083,565
Reimbursements	10,550	10,550	31,201
Investment income	9,000	9,000	6,801
Miscellaneous	-	12,837	-
	<hr/>		
Total revenues	934,699	947,536	1,121,567
	<hr/>		
EXPENDITURES			
Current			
Highways and streets			
Personal services	130,665	143,502	177,906
Commodities	210,000	210,000	134,233
Contractual services	430,694	430,694	389,435
Capital outlay	1,650,000	1,650,000	1,227,681
	<hr/>		
Total expenditures	2,421,359	2,434,196	1,929,255
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,486,660)</u>	<u>\$ (1,486,660)</u>	(807,688)
FUND BALANCE, MAY 1			<u>2,444,136</u>
FUND BALANCE, APRIL 30			<u><u>\$ 1,636,448</u></u>

(See independent auditor's report.)

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

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 20,213,615	\$ 21,407,596	94.42%	\$ 1,193,981	\$ 6,342,374	18.83%
2008	18,208,045	22,959,941	79.30%	4,751,896	6,848,668	69.38%
2009	16,837,694	22,691,981	74.20%	5,854,287	6,928,991	84.49%
2010	15,745,042	22,377,083	70.36%	6,632,041	6,474,980	102.43%
2011	13,667,654	21,679,006	63.05%	8,011,352	6,527,256	122.74%
2012	13,945,121	21,473,671	64.94%	7,528,550	6,301,030	119.48%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 657,704	\$ 657,704	100%
2009	680,073	680,073	100%
2010	675,266	716,808	94%
2011	685,332	799,174	86%
2012	1,029,138	869,497	118%
2013	882,144	882,144	100%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 229,258	\$ 336,881	68.05%	\$ 107,623	\$ 124,768	86.26%
2008	257,856	399,981	64.47%	142,125	130,427	108.97%
2009	282,797	279,596	101.14%	(3,201)	104,758	(3.06%)
2010	297,460	403,212	73.77%	105,752	-	0.00%
2011	307,499	485,027	63.40%	177,528	-	0.00%
2012	23,417	-	0.00%	(23,417)	-	0.00%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 16,282	\$ 16,282	100%
2009	25,099	25,099	100%
2010	17,516	17,516	100%
2011	-	-	0%
2012	-	-	0%
2013	-	-	0%

(See independent auditor's report.)

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

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2007	\$ 16,440,752	\$ 26,313,270	62.48%	\$ 9,872,518	\$ 3,381,577	291.95%
2008	17,040,003	27,774,760	61.35%	10,734,757	3,566,235	301.01%
2009	15,191,183	29,645,059	51.24%	14,453,876	3,782,571	382.12%
2010	18,249,557	34,487,266	52.92%	16,237,709	4,351,415	373.16%
2011	20,475,156	36,631,328	55.90%	16,156,172	4,664,877	346.34%
2012	21,019,429	38,705,823	54.31%	17,686,394	4,760,070	371.56%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 892,877	\$ 892,877	100.00%
2009	987,365	959,382	102.92%
2010	1,047,722	1,047,722	100.00%
2011	1,302,480	1,302,480	100.00%
2012	1,562,318	1,562,318	100.00%
2013	1,657,706	1,657,706	100.00%

(See independent auditor's report.)

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

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 8,230,081	\$ 11,633,405	70.75%	\$ 3,403,324	\$ 2,105,239	161.66%
2008	8,668,883	12,933,184	67.03%	4,264,301	2,254,020	189.19%
2009	7,935,575	13,999,956	56.68%	6,064,381	2,402,710	252.40%
2010	9,768,056	16,161,310	60.44%	6,393,254	2,637,743	242.38%
2011	11,341,474	17,249,912	65.75%	5,908,438	2,666,892	221.55%
2012	11,869,263	19,680,258	60.31%	7,810,995	2,672,762	292.24%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 374,835	\$ 374,835	100.00%
2009	471,152	471,152	100.00%
2010	574,010	574,010	100.00%
2011	698,763	698,763	100.00%
2012	805,643	805,643	100.00%
2013	815,297	815,297	100.00%

(See independent auditor's report.)

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

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 4,856,900	0.00%	\$ 4,856,900	\$ 12,188,800	39.85%
2009	-	5,180,100	0.00%	5,180,100	12,676,400	40.86%
2010	-	5,125,728	0.00%	5,125,728	12,368,624	41.44%
2011	-	3,708,726	0.00%	3,708,726	15,721,793	23.59%
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%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 156,600	\$ 444,900	35.20%
2009	184,100	468,900	39.26%
2010	141,170	402,763	35.05%
2011	143,279	402,763	35.57%
2012	147,577	211,303	69.84%
2013	159,043	211,303	75.27%

N/A - an actuarial valuation was not performed.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

BUDGETS

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

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

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

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

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

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

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Fund

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

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
TAXES			
Property tax	\$ 9,553,253	\$ 9,553,253	\$ 9,442,081
Municipal sales tax	5,170,219	5,170,219	4,729,737
Home rule sales tax	2,213,956	2,213,956	2,059,366
Real estate transfer tax	308,184	308,184	203,400
Use tax	599,974	599,974	605,067
Utility tax - simplified telephone	1,107,208	1,107,208	982,864
Utility tax - natural gas	142,800	142,800	203,930
Utility tax - electric	467,399	467,399	435,060
Foreign fire insurance tax	-	-	21,665
Prepared food tax	1,077,544	1,077,544	1,018,775
Hotel/motel tax	36,720	36,720	36,686
Total taxes	20,677,257	20,677,257	19,738,631
LICENSES AND PERMITS			
Licenses			
Business	90,015	90,015	87,509
Liquor	45,195	45,195	50,688
Contractor	23,999	23,999	35,470
Vendor/solicitor	250	250	370
Animal	500	500	980
Penalties on licenses	10,363	10,363	9,295
Multi-family	87,225	87,225	91,025
Single family	37,800	37,800	73,450
Cable franchise fee	359,895	359,895	380,445
Solid waste franchise fee	113,746	113,746	117,142
Permits			
Building - DuPage	50,000	50,000	63,115
Building - Cook	31,500	31,500	64,949
Sign	4,000	4,000	4,986
Total licenses and permits	854,488	854,488	979,424
CHARGES FOR SERVICES			
Printed materials	7,000	7,000	5,862
Ambulance fees	676,800	676,800	608,450
Plan review - community development	20,000	20,000	22,493
Building reinspection fees	1,500	1,500	1,875
Vehicle impoundment fees	626,000	626,000	769,500
CPR fees	3,000	3,000	2,755
ADT administrative fee	-	-	3,929
Public safety application fee	1,500	1,500	520
Child safety seat installation	-	-	205
Inspection fee - miscellaneous	-	-	300
Elevator inspection fee	-	-	500
Rental income	291,900	291,900	303,991
Total charges for services	1,627,700	1,627,700	1,720,380

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
FINES AND FORFEITS			
Traffic fines - DuPage	\$ 38,000	\$ 38,000	\$ 40,788
Traffic fines - Cook	110,000	110,000	135,298
Ordinance violations	269,000	269,000	273,559
Warning tickets	100	100	470
Police false alarm fines	6,100	6,100	4,575
DUI fines	2,850	2,850	25,538
Traffic court supervision	53,700	53,700	28,682
Fire false alarm fines	5,000	5,000	4,425
Red light camera fines	131,520	131,520	145,743
Kennel fees	2,500	2,500	1,525
Total fines and forfeits	<u>618,770</u>	<u>618,770</u>	<u>660,603</u>
INTERGOVERNMENTAL			
State income tax	3,045,435	3,045,435	3,422,147
Replacement taxes	85,015	85,015	80,386
Reimbursement - ILEOT Boards	9,000	9,000	2,855
Reimbursement - OJP bullet proof vest grant	3,600	3,600	1,818
Reimbursement - DuPage County	15,000	15,000	14,959
Reimbursement - ILEAS	-	-	855
Reimbursement - police services	600	600	-
Reimbursement - fire services	10,000	10,000	24,377
Illinois EMA grant revenue	-	-	569
Drug forfeiture revenue	3,000	3,000	1,000
Total intergovernmental	<u>3,171,650</u>	<u>3,171,650</u>	<u>3,548,966</u>
INVESTMENT INCOME	<u>31,344</u>	<u>31,344</u>	<u>92,279</u>
MISCELLANEOUS			
Reimbursement - property damage	-	-	303
Reimbursement - miscellaneous	16,000	16,000	80,984
Hazardous materials	5,000	5,000	17,315
Corporate partnership program	4,700	4,700	2,050
Fire corp	418	418	-
IRMA Reserve Fund	-	1,128,770	-
Miscellaneous income	96,443	96,443	57,475
Total miscellaneous	<u>122,561</u>	<u>1,251,331</u>	<u>158,127</u>
TOTAL REVENUES	<u>\$ 27,103,770</u>	<u>\$ 28,232,540</u>	<u>\$ 26,898,410</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
President and Board of Trustees			
Personal services	\$ 21,961	\$ 21,961	\$ 23,006
Commodities	54,322	54,322	52,191
Contractual services	33,125	33,125	27,312
Total president and board of trustees	109,408	109,408	102,509
Village Clerk			
Personal services	66,950	76,802	74,051
Commodities	1,310	1,310	1,120
Contractual services	51,615	51,615	37,007
Total village clerk	119,875	129,727	112,178
Village Collector			
Personal services	68,038	75,423	73,731
Commodities	50	50	-
Contractual services	100	100	-
Total village collector	68,188	75,573	73,731
Environmental committee			
Commodities	1,100	1,100	212
Contractual services	5,500	5,500	872
Total environmental committee	6,600	6,600	1,084
Cultural inclusion and diversity committee			
Commodities	760	760	-
Contractual services	4,406	4,406	2,692
Total cultural inclusion and diversity committee	5,166	5,166	2,692
Sister City committee			
Commodities	910	910	1,333
Contractual services	7,875	7,875	3,814
Total sister city committee	8,785	8,785	5,147
Citizens corp council committee			
Commodities	-	-	114
Contractual services	5,500	5,500	3,199
Total citizens corp council committee	5,500	5,500	3,313

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Veterans committee			
Commodities	\$ 950	\$ 950	\$ 262
Contractual services	2,450	2,450	874
Total veterans committee	3,400	3,400	1,136
Development commission			
Personal services	973	973	513
Commodities	665	665	25
Contractual services	375	375	1,040
Total development commission	2,013	2,013	1,578
CONNECT committee			
Commodities	1,275	1,275	525
Contractual services	9,800	9,800	6,985
Total conect committee	11,075	11,075	7,510
Village Manager			
Personal services	266,536	278,343	271,491
Commodities	3,675	3,675	3,135
Contractual services	57,149	57,149	51,546
Total village manager	327,360	339,167	326,172
Human resources			
Personal services	256,818	266,615	273,768
Commodities	39,023	39,023	40,576
Contractual services	117,842	117,842	68,361
Total human resources	413,683	423,480	382,705
Special events			
Contractual services	13,900	22,600	20,507
Total special events	13,900	22,600	20,507
Information technology			
Personal services	230,213	243,704	254,931
Commodities	97,870	97,870	110,761
Contractual services	386,274	386,274	345,288
Total information technology	714,357	727,848	710,980

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance department administration			
Personal services	\$ 133,428	\$ 141,424	\$ 145,123
Commodities	3,475	3,475	2,285
Contractual services	28,558	28,558	19,205
Total finance department administration	165,461	173,457	166,613
Collections			
Personal services	125,646	134,128	132,009
Commodities	11,975	11,975	10,578
Contractual services	6,945	6,945	3,289
Total collections	144,566	153,048	145,876
General accounting			
Personal services	143,171	152,880	143,161
Commodities	1,140	1,140	279
Contractual services	43,526	43,526	44,103
Total general accounting	187,837	197,546	187,543
General administrative services			
Personal services	321,254	321,254	127,731
Contractual services	3,037,020	3,037,020	2,544,920
Total general administrative services	3,358,274	3,358,274	2,672,651
Total general government	5,665,448	5,752,667	4,923,925
PUBLIC WORKS			
Administration			
Personal services	140,864	147,935	143,900
Commodities	3,425	3,425	3,364
Contractual services	7,880	7,880	7,169
Total administration	152,169	159,240	154,433
Streets			
Personal services	790,268	860,222	819,021
Commodities	120,495	120,495	85,153
Contractual services	382,648	347,648	344,421
Total streets	1,293,411	1,328,365	1,248,595

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Forestry			
Personal services	\$ 184,162	\$ 191,460	\$ 185,996
Commodities	12,770	12,770	13,368
Contractual services	292,760	292,760	268,580
Total forestry	489,692	496,990	467,944
Building			
Personal services	261,525	280,895	262,829
Commodities	136,895	111,895	89,052
Contractual services	232,892	204,920	195,292
Total building	631,312	597,710	547,173
Fleet services administration			
Personal services	520,201	555,498	553,660
Commodities	569,287	569,287	518,835
Contractual services	80,394	80,394	95,303
Total fleet services administration	1,169,882	1,205,179	1,167,798
Department of engineering			
Personal services	189,468	205,138	234,178
Commodities	3,328	3,328	8,872
Contractual services	15,659	15,659	47,063
Total department of engineering	208,455	224,125	290,113
MWRD property			
Contractual services	-	12,500	12,070
Total MWRD property	-	12,500	12,070
Total public works	3,944,921	4,024,109	3,888,126
PUBLIC SAFETY			
Fire department			
Administration			
Personal services	462,688	500,709	496,711
Commodities	11,213	11,213	9,715
Contractual services	22,455	22,455	14,654
Total administration	496,356	534,377	521,080
Fire suppression			
Personal services	3,984,492	4,295,929	4,329,430
Commodities	65,238	65,238	57,836
Contractual services	362,168	362,168	375,284
Total fire suppression	4,411,898	4,723,335	4,762,550

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Inspections			
Personal services	\$ 502,304	\$ 535,654	\$ 515,302
Commodities	11,107	11,107	8,042
Contractual services	51,541	51,541	31,490
Total inspections	564,952	598,302	554,834
Emergency transport			
Personal services	44,138	44,627	31,284
Commodities	4,000	4,000	2,606
Contractual services	54,726	54,726	42,619
Total emergency transport	102,864	103,353	76,509
Total fire department	5,576,070	5,959,367	5,914,973
Police department			
Administration			
Personal services	702,393	739,780	729,276
Commodities	9,571	9,571	8,561
Contractual services	78,053	78,053	69,447
Total administration	790,017	827,404	807,284
Patrol division			
Personal services	6,099,716	6,428,883	6,262,933
Commodities	58,450	58,450	56,021
Contractual services	218,062	218,062	161,077
Total patrol division	6,376,228	6,705,395	6,480,031
Investigations			
Personal services	1,587,103	1,664,887	1,618,271
Commodities	24,170	24,170	18,598
Contractual services	35,767	35,767	28,022
Total investigations	1,647,040	1,724,824	1,664,891
Community services			
Personal services	461,129	492,856	435,738
Commodities	5,400	5,400	4,372
Contractual services	33,955	33,955	38,547
Total community services	500,484	532,211	478,657

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Department)			
Staff services			
Personal services	\$ 884,048	\$ 951,808	\$ 890,165
Commodities	26,150	26,150	25,876
Contractual services	643,791	643,791	633,705
Total staff services	1,553,989	1,621,749	1,549,746
Code enforcement			
Personal services	516,810	574,701	475,408
Commodities	3,960	3,960	3,854
Contractual services	17,135	17,135	5,922
Total code enforcement	537,905	595,796	485,184
Total police department	11,405,663	12,007,379	11,465,793
Emergency services			
Commodities	3,380	3,380	24
Contractual services	8,770	8,770	7,606
Total emergency services	12,150	12,150	7,630
Total public safety	16,993,883	17,978,896	17,388,396
COMMUNITY DEVELOPMENT			
Economic development			
Personal services	112,173	112,173	74,413
Commodities	5,995	5,995	20,174
Contractual services	75,425	75,425	58,830
Total economic development	193,593	193,593	153,417
Total community development	193,593	193,593	153,417
TOTAL EXPENDITURES	\$ 26,797,845	\$ 27,949,265	\$ 26,353,864

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Fund (Continued)

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2013

	Special Revenue					Special Service Area #3
	Road and Bridge	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	
ASSETS						
Cash and investments	\$ 997,196	\$ 66,783	\$ 1,573,079	\$ 34,522	\$ -	\$ 68,510
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	-	-	-	-	-	9,869
Accounts	-	-	-	89,012	-	-
Accrued interest	-	-	108	-	-	-
Due from other governments	31,498	-	-	-	-	-
TOTAL ASSETS	\$ 1,028,694	\$ 66,783	\$ 1,573,187	\$ 123,534	\$ -	\$ 78,379
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 27,247	\$ 66,783	\$ 13,541	\$ 7,766	\$ 13,364	\$ -
Contractors' payable	-	-	-	-	-	-
Accrued payroll	-	-	2,490	-	-	-
Other payables	-	-	16,041	-	-	-
Unearned revenue	130,000	-	-	-	-	-
Advances from other funds	-	-	-	104,351	-	-
Total liabilities	157,247	66,783	32,072	112,117	13,364	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	-	-	-	-	-	9,869
Total deferred inflows of resources	-	-	-	-	-	9,869
Total liabilities and deferred inflows of resources	157,247	66,783	32,072	112,117	13,364	9,869
FUND BALANCES						
Restricted						
Highways and streets	871,447	-	-	-	-	-
Debt service	-	-	-	-	-	-
Community development	-	-	1,541,115	11,417	-	-
Special service areas	-	-	-	-	-	68,510
Unrestricted						
Assigned						
Capital improvements	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(13,364)	-
Total fund balances (deficit)	871,447	-	1,541,115	11,417	(13,364)	68,510
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 1,028,694	\$ 66,783	\$ 1,573,187	\$ 123,534	\$ -	\$ 78,379

Special Revenue		Debt Service			Capital Projects			Total
Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	Municipal Building	Nonmajor Governmental Funds
\$ 73,248	\$ 143,554	\$ 161,289	\$ 25,489	\$ 184,206	\$ 202,227	\$ 498,532	\$ -	\$ 4,028,635
9,446	277,133	468,096	224,037	496,076	36,876	-	-	1,521,533
-	-	-	-	-	-	2,425	-	91,437
-	-	-	-	-	-	-	-	108
-	-	-	-	-	-	-	-	31,498
<u>\$ 82,694</u>	<u>\$ 420,687</u>	<u>\$ 629,385</u>	<u>\$ 249,526</u>	<u>\$ 680,282</u>	<u>\$ 239,103</u>	<u>\$ 500,957</u>	<u>\$ -</u>	<u>\$ 5,673,211</u>
\$ 1,365	\$ 20,567	\$ -	\$ -	\$ -	\$ 151	\$ 206,925	\$ -	\$ 357,709
-	-	-	-	-	-	20,987	-	20,987
-	-	-	-	-	-	-	-	2,490
-	-	-	-	-	-	-	-	16,041
-	-	-	-	-	-	-	-	130,000
-	-	-	-	-	492,977	-	-	597,328
<u>1,365</u>	<u>20,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,128</u>	<u>227,912</u>	<u>-</u>	<u>1,124,555</u>
9,446	277,133	468,096	224,037	496,076	36,876	-	-	1,521,533
9,446	277,133	468,096	224,037	496,076	36,876	-	-	1,521,533
10,811	297,700	468,096	224,037	496,076	530,004	227,912	-	2,646,088
-	-	-	-	-	-	-	-	871,447
-	-	161,289	25,489	184,206	-	-	-	370,984
-	-	-	-	-	-	-	-	1,552,532
71,883	122,987	-	-	-	-	-	-	263,380
-	-	-	-	-	-	273,045	-	273,045
-	-	-	-	-	(290,901)	-	-	(304,265)
<u>71,883</u>	<u>122,987</u>	<u>161,289</u>	<u>25,489</u>	<u>184,206</u>	<u>(290,901)</u>	<u>273,045</u>	<u>-</u>	<u>3,027,123</u>
<u>\$ 82,694</u>	<u>\$ 420,687</u>	<u>\$ 629,385</u>	<u>\$ 249,526</u>	<u>\$ 680,282</u>	<u>\$ 239,103</u>	<u>\$ 500,957</u>	<u>\$ -</u>	<u>\$ 5,673,211</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2013

	Special Revenue					Special Service Area #3
	Road and Bridge	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	
REVENUES						
Taxes						
Property taxes	\$ 122,058	\$ -	\$ 1,730,410	\$ -	\$ -	\$ 19,640
Intergovernmental						
Personal property replacement taxes	2,378	-	-	-	-	-
Grants	31,498	-	-	-	-	-
Other intergovernmental	-	-	-	-	-	-
Investment income	2,992	-	1,114	104	-	173
Miscellaneous	-	-	-	-	-	-
Total revenues	158,926	-	1,731,524	104	-	19,813
EXPENDITURES						
Current						
Community development	-	83,327	546,028	42,561	13,364	15,757
Highways and streets	50,698	-	-	-	-	-
Capital outlay	53,435	276,552	120,951	4,648	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-
Total expenditures	104,133	359,879	666,979	47,209	13,364	15,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	54,793	(359,879)	1,064,545	(47,105)	(13,364)	4,056
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	54,793	(359,879)	1,064,545	(47,105)	(13,364)	4,056
FUND BALANCES (DEFICIT), MAY 1	816,654	359,879	476,570	58,522	-	64,454
FUND BALANCES (DEFICIT), APRIL 30	\$ 871,447	\$ -	\$ 1,541,115	\$ 11,417	\$ (13,364)	\$ 68,510

Special Revenue		Debt Service			Capital Projects			Total
Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	Municipal Building	Nonmajor Governmental Funds
\$ 38,351	\$ 312,599	\$ 649,448	\$ 90,021	\$ 630,201	\$ 75,367	\$ -	\$ -	\$ 3,668,095
-	-	-	-	-	-	-	-	2,378
-	-	-	-	-	-	-	-	31,498
-	-	180,289	104,698	-	-	3,331	-	288,318
128	906	257	87	246	143	789	424	7,363
-	-	-	-	-	-	22,560	-	22,560
38,479	313,505	829,994	194,806	630,447	75,510	26,680	424	4,020,212
24,139	89,482	-	-	-	151	-	-	814,809
-	-	-	-	-	-	-	-	50,698
-	438,434	-	-	-	-	837,195	229,431	1,960,646
-	-	280,000	-	450,000	-	-	-	730,000
-	-	515,110	299,138	189,597	67,977	-	-	1,071,822
-	-	678	678	428	-	-	-	1,784
24,139	527,916	795,788	299,816	640,025	68,128	837,195	229,431	4,629,759
14,340	(214,411)	34,206	(105,010)	(9,578)	7,382	(810,515)	(229,007)	(609,547)
-	-	217,217	-	-	-	706,794	-	924,011
-	-	-	-	-	-	-	(217,217)	(217,217)
-	-	217,217	-	-	-	706,794	(217,217)	706,794
14,340	(214,411)	251,423	(105,010)	(9,578)	7,382	(103,721)	(446,224)	97,247
57,543	337,398	(90,134)	130,499	193,784	(298,283)	376,766	446,224	2,929,876
\$ 71,883	\$ 122,987	\$ 161,289	\$ 25,489	\$ 184,206	\$ (290,901)	\$ 273,045	\$ -	\$ 3,027,123

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ROAD AND BRIDGE FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 101,411	\$ 101,411	\$ 122,058
Intergovernmental			
Personal property replacement taxes	2,987	2,987	2,378
Grants	-	-	31,498
Investment income	7,200	7,200	2,992
	<hr/>		
Total revenues	111,598	111,598	158,926
	<hr/>		
EXPENDITURES			
Current			
Highways and streets			
Contractual services	95,203	95,203	50,698
Capital outlay	20,000	20,000	53,435
	<hr/>		
Total expenditures	115,203	115,203	104,133
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (3,605)</u>	<u>\$ (3,605)</u>	54,793
FUND BALANCE, MAY 1			<u>816,654</u>
FUND BALANCE, APRIL 30			<u><u>\$ 871,447</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #2 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Community development			
Contractual services	-	84,000	83,327
Capital outlay	-	277,000	276,552
Total expenditures	-	361,000	359,879
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (361,000)</u>	<u>(359,879)</u>
FUND BALANCE, MAY 1			<u>359,879</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 677,500	\$ 677,500	\$ 1,730,410
Investment income	750	750	1,114
	<hr/>		
Total revenues	678,250	678,250	1,731,524
<hr/>			
EXPENDITURES			
Current			
Community development			
Personal services	50,545	50,545	102,409
Contractual services	305,000	305,000	443,619
Capital outlay	300,000	362,750	120,951
	<hr/>		
Total expenditures	655,545	718,295	666,979
<hr/>			
NET CHANGE IN FUND BALANCE	\$ 22,705	\$ (40,045)	1,064,545
<hr/>			
FUND BALANCE, MAY 1			476,570
			<hr/>
FUND BALANCE, APRIL 30			\$ 1,541,115
			<hr/> <hr/>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 228,569	\$ 228,569	\$ -
Investment income	100	100	104
Miscellaneous	114,285	114,285	-
Total revenues	342,954	342,954	104
EXPENDITURES			
Current			
Community development			
Contractual services	115,285	115,285	42,561
Capital outlay	-	-	4,648
Total expenditures	115,285	115,285	47,209
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	227,669	227,669	(47,105)
OTHER FINANCING SOURCES (USES)			
Transfers in	(107,900)	(107,900)	-
Total other financing sources (uses)	(107,900)	(107,900)	-
NET CHANGE IN FUND BALANCE	\$ 119,769	\$ 119,769	(47,105)
FUND BALANCE, MAY 1			58,522
FUND BALANCE, APRIL 30			\$ 11,417

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Community development			
Contractual services	-	13,500	13,364
Total expenditures	-	13,500	13,364
NET CHANGE IN FUND BALANCE	\$ -	\$ (13,500)	(13,364)
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$ (13,364)

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 20,400	\$ 20,400	\$ 19,640
Investment income	25	25	173
Total revenues	<u>20,425</u>	<u>20,425</u>	<u>19,813</u>
EXPENDITURES			
Community development			
Contractual services			
Equipment rentals	20,400	20,400	15,757
Total expenditures	<u>20,400</u>	<u>20,400</u>	<u>15,757</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 25</u></u>	<u><u>\$ 25</u></u>	4,056
FUND BALANCE, MAY 1			<u>64,454</u>
FUND BALANCE, APRIL 30			<u><u>\$ 68,510</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #4 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 29,800	\$ 29,800	\$ 38,351
Investment income	45	45	128
Total revenues	<u>29,845</u>	<u>29,845</u>	<u>38,479</u>
EXPENDITURES			
Community development Contractual services	<u>29,800</u>	<u>29,800</u>	<u>24,139</u>
Total expenditures	<u>29,800</u>	<u>29,800</u>	<u>24,139</u>
NET CHANGE IN FUND BALANCE	<u>\$ 45</u>	<u>\$ 45</u>	14,340
FUND BALANCE, MAY 1			<u>57,543</u>
FUND BALANCE, APRIL 30			<u>\$ 71,883</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #5 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 367,429	\$ 367,429	\$ 312,599
Investment income	281	281	906
Total revenues	<u>367,710</u>	<u>367,710</u>	<u>313,505</u>
EXPENDITURES			
Current			
Community development			
Contractual services	84,000	98,300	89,482
Capital outlay	150,000	445,000	438,434
Total expenditures	<u>234,000</u>	<u>543,300</u>	<u>527,916</u>
NET CHANGE IN FUND BALANCE	<u>\$ 133,710</u>	<u>\$ (175,590)</u>	(214,411)
FUND BALANCE, MAY 1			<u>337,398</u>
FUND BALANCE, APRIL 30			<u>\$ 122,987</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 655,508	\$ 655,508	\$ 649,448
Intergovernmental	180,288	180,288	180,289
Investment income	100	100	257
	<hr/>		
Total revenues	835,896	835,896	829,994
	<hr/>		
EXPENDITURES			
Debt service			
Principal	280,000	280,000	280,000
Interest	515,110	515,110	515,110
Fiscal charge	250	680	678
	<hr/>		
Total expenditures	795,360	795,790	795,788
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,536	40,106	34,206
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	218,000	217,217
	<hr/>		
Total other financing sources (uses)	-	218,000	217,217
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 40,536</u>	<u>\$ 258,106</u>	251,423
FUND BALANCE (DEFICIT), MAY 1			<u>(90,134)</u>
FUND BALANCE, APRIL 30			<u><u>\$ 161,289</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010A FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 45,017	\$ 45,017	\$ 90,021
Intergovernmental	104,698	104,698	104,698
Investment income	100	100	87
	<hr/>		
Total revenues	149,815	149,815	194,806
	<hr/>		
EXPENDITURES			
Debt service			
Interest	299,138	299,138	299,138
Fiscal charge	250	680	678
	<hr/>		
Total expenditures	299,388	299,818	299,816
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (149,573)	\$ (150,003)	(105,010)
	<hr/>		
FUND BALANCE, MAY 1			130,499
	<hr/>		
FUND BALANCE, APRIL 30			\$ 25,489
	<hr/>		

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2011 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 639,597	\$ 639,597	\$ 630,201
Investment income	250	250	246
	<hr/>		
Total revenues	639,847	639,847	630,447
	<hr/>		
EXPENDITURES			
Debt service			
Principal	450,000	450,000	450,000
Interest	189,597	189,597	189,597
Fiscal charge	250	450	428
	<hr/>		
Total expenditures	639,847	640,047	640,025
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ (200)	(9,578)
	<hr/>		
FUND BALANCE, MAY 1			193,784
	<hr/>		
FUND BALANCE, APRIL 30			\$ 184,206
	<hr/>		

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #6 FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 77,013	\$ 77,013	\$ 75,367
Investment income	25	25	143
Total revenues	<u>77,038</u>	<u>77,038</u>	<u>75,510</u>
EXPENDITURES			
Community development			
Contractual services	37,000	37,000	151
Debt service			
Interest	40,013	40,013	67,977
Total expenditures	<u>77,013</u>	<u>77,013</u>	<u>68,128</u>
NET CHANGE IN FUND BALANCE	<u>\$ 25</u>	<u>\$ 25</u>	7,382
FUND BALANCE (DEFICIT), MAY 1			<u>(298,283)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (290,901)</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL CAPITAL PROJECTS FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 7,500	\$ 7,500	\$ 3,331
Investment income	6,000	6,000	789
Miscellaneous	-	-	22,560
Total revenues	13,500	13,500	26,680
EXPENDITURES			
Capital outlay			
Buildings	190,000	190,000	180,842
Other improvements	327,000	327,000	317,562
Office equipment	625,700	625,700	193,867
Other equipment	161,482	161,482	144,924
Total expenditures	1,304,182	1,304,182	837,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,290,682)	(1,290,682)	(810,515)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,552,182	1,552,182	706,794
Total other financing sources (uses)	1,552,182	1,552,182	706,794
NET CHANGE IN FUND BALANCE	\$ 261,500	\$ 261,500	(103,721)
FUND BALANCE, MAY 1			376,766
FUND BALANCE, APRIL 30			\$ 273,045

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL BUILDING FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 424
Total revenues	-	-	424
EXPENDITURES			
Capital outlay	-	230,000	229,431
Total expenditures	-	230,000	229,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(230,000)	(229,007)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(218,000)	(217,217)
Total other financing sources (uses)	-	(218,000)	(217,217)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (448,000)</u>	(446,224)
FUND BALANCE, MAY 1			<u>446,224</u>
FUND BALANCE, APRIL 30			<u><u>\$ -</u></u>

(See independent auditor's report.)

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water sales	\$ 7,033,822	\$ 7,033,822	\$ 7,007,765
Sewer service	2,745,452	2,745,452	2,685,114
Water penalties	192,200	192,200	193,060
Water tap-on fees	66,110	66,110	39,195
Sewer tap-on fees	64,786	64,786	40,262
Meter sales	7,138	7,138	7,796
Miscellaneous	298,000	477,028	236,900
Total operating revenues	10,407,508	10,586,536	10,210,092
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Administration			
Personal services	1,025,313	1,092,177	1,083,525
Commodities	7,605	7,605	7,443
Contractual services	413,893	413,893	272,083
Operations - water			
Personal services	788,769	830,205	790,068
Commodities	106,611	106,611	72,432
Contractual services	4,009,126	4,009,126	4,015,731
Capital outlay	401,000	401,000	661,496
Operations - sewer			
Personal services	808,298	879,026	872,623
Commodities	71,693	71,693	46,752
Contractual services	917,313	917,313	607,693
Capital outlay	538,000	538,000	572,058
Debt service			
Principal	313,606	313,606	313,606
Total operating expenses excluding depreciation	9,401,227	9,580,255	9,315,510
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	1,006,281	1,006,281	894,582
DEPRECIATION	845,000	845,000	912,294
OPERATING INCOME (LOSS)	161,281	161,281	(17,712)

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 13,600	\$ 13,600	\$ 10,295
Other income	6,500	6,500	29,566
Interest expense	(50,421)	(50,421)	(49,576)
Total nonoperating revenues (expenses)	(30,321)	(30,321)	(9,715)
INCOME (LOSS) BEFORE TRANSFERS	130,960	130,960	(27,427)
TRANSFERS			
Transfers (out)	(573,750)	(573,750)	(315,418)
Total transfers	(573,750)	(573,750)	(315,418)
NET INCOME (LOSS) - BUDGET BASIS	(442,790)	(442,790)	(342,845)
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	987,597
Principal paid	-	-	313,606
Total adjustments to GAAP basis	-	-	1,301,203
CONTRIBUTIONS	-	-	633,282
CHANGE IN NET POSITION	\$ (442,790)	\$ (442,790)	1,591,640
NET POSITION, MAY 1			27,732,482
NET POSITION, APRIL 30			\$ 29,324,122

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION

April 30, 2013

	Municipal Railroad Parking Lot	Hanover Square	Total
CURRENT ASSETS			
Cash and investments	\$ 197,432	\$ 120,336	\$ 317,768
Receivables			
Accounts	-	18,261	18,261
Other	6,985	-	6,985
Prepaid expenses	35,362	-	35,362
 Total current assets	 239,779	 138,597	 378,376
NONCURRENT ASSETS			
Capital assets			
Nondepreciable	1,317,517	2,182,391	3,499,908
Depreciable, net of accumulated depreciation	1,003,250	940,960	1,944,210
 Total noncurrent assets	 2,320,767	 3,123,351	 5,444,118
 Total assets	 2,560,546	 3,261,948	 5,822,494
CURRENT LIABILITIES			
Accounts payable	3,766	355,866	359,632
Contractors' payable	-	27,721	27,721
Accrued payroll	4,002	-	4,002
Unearned revenue	67,979	-	67,979
Other payables	1,000	18,698	19,698
 Total current liabilities	 76,747	 402,285	 479,032
LONG-TERM LIABILITIES			
None	-	-	-
 Total long-term liabilities	 -	 -	 -
 Total liabilities	 76,747	 402,285	 479,032
NET POSITION			
Investment in capital assets	2,320,767	3,123,351	5,444,118
Unrestricted (deficit)	163,032	(263,688)	(100,656)
 TOTAL NET POSITION	 \$ 2,483,799	 \$ 2,859,663	 \$ 5,343,462

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Municipal Railroad Parking Lot	Hanover Square	Total
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 317,446	\$ -	\$ 317,446
Rental income	-	635,532	635,532
Other	-	34,138	34,138
Total operating revenues	317,446	669,670	987,116
OPERATING EXPENSES			
Operations			
Personal services	146,512	-	146,512
Commodities	7,963	133	8,096
Contractual services	82,705	669,827	752,532
Capital maintenance	-	5,899	5,899
Depreciation	43,656	18,877	62,533
Total operating expenses	280,836	694,736	975,572
OPERATING INCOME	36,610	(25,066)	11,544
NONOPERATING REVENUES (EXPENSES)			
Investment income	222	308	530
Other income	-	22,665	22,665
Total nonoperating revenues (expenses)	222	22,973	23,195
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	36,832	(2,093)	34,739
CONTRIBUTIONS	-	55,650	55,650
CHANGE IN NET POSITION	36,832	53,557	90,389
NET POSITION, MAY 1	2,446,967	2,806,106	5,253,073
NET POSITION, APRIL 30	\$ 2,483,799	\$ 2,859,663	\$ 5,343,462

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2013

	Municipal Railroad Parking Lot	Hanover Square	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 323,859	\$ 698,760	\$ 1,022,619
Payments to suppliers	(111,360)	(621,303)	(732,663)
Payments to employees	(145,514)	-	(145,514)
Net cash from operating activities	66,985	77,457	144,442
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	-	(266,395)	(266,395)
Net cash from capital and related financing activities	-	(266,395)	(266,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	222	308	530
Net cash from investing activities	222	308	530
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,207	(188,630)	(121,423)
CASH AND CASH EQUIVALENTS, MAY 1	130,225	308,966	439,191
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 197,432	\$ 120,336	\$ 317,768

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2013

	Municipal Railroad Parking Lot	Hanover Square	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 36,610	\$ (25,066)	\$ 11,544
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization	43,656	18,877	62,533
Other nonoperating revenues	-	22,665	22,665
Changes in assets and liabilities			
Receivables	(2,515)	3,545	1,030
Prepaid expenses	(4,823)	-	(4,823)
Accounts payable	(13,354)	54,556	41,202
Accrued payroll	998	-	998
Deferred revenue	6,413	-	6,413
Other payables	-	2,880	2,880
NET CASH FROM OPERATING ACTIVITIES	\$ 66,985	\$ 77,457	\$ 144,442
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 197,432	\$ 120,336	\$ 317,768
Investments	-	-	-
TOTAL CASH AND INVESTMENTS	\$ 197,432	\$ 120,336	\$ 317,768

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 289,458	\$ 289,458	\$ 317,446
License penalties	20	20	-
Miscellaneous income	-	49,780	-
Total operating revenues	<u>289,478</u>	<u>339,258</u>	<u>317,446</u>
OPERATING EXPENSES			
Operations			
Personal services	176,030	225,810	146,512
Commodities	14,394	14,394	7,963
Contractual services	86,828	86,828	82,705
Capital outlay	50,000	50,000	-
Depreciation	32,304	32,304	43,656
Total operating expenses	<u>359,556</u>	<u>409,336</u>	<u>280,836</u>
OPERATING INCOME (LOSS)	<u>(70,078)</u>	<u>(70,078)</u>	<u>36,610</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	222
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>222</u>
CHANGE IN NET POSITION	<u>\$ (70,078)</u>	<u>\$ (70,078)</u>	36,832
NET POSITION, MAY 1			<u>2,446,967</u>
NET POSITION, APRIL 30			<u>\$ 2,483,799</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

HANOVER SQUARE FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Rental income	\$ 653,220	\$ 653,220	\$ 635,532
Other	-	-	34,138
Total operating revenues	<u>653,220</u>	<u>653,220</u>	<u>669,670</u>
OPERATING EXPENSES			
Operations			
Commodities	-	135	133
Contractual services	465,590	629,090	669,827
Capital maintenance	-	6,000	5,899
Depreciation	-	19,000	18,877
Total operating expenses	<u>465,590</u>	<u>654,225</u>	<u>694,736</u>
OPERATING INCOME	<u>187,630</u>	<u>(1,005)</u>	<u>(25,066)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	308
Other income	-	-	22,665
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>22,973</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>187,630</u>	<u>(1,005)</u>	<u>(2,093)</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>55,650</u>
CHANGE IN NET POSITION	<u>\$ 187,630</u>	<u>\$ (1,005)</u>	<u>53,557</u>
NET POSITION, MAY 1			<u>2,806,106</u>
NET POSITION, APRIL 30			<u>\$ 2,859,663</u>

(See independent auditor's report.)

INTERNAL SERVICE FUND

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

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 943,017	\$ 943,017	\$ 893,016
Total operating revenues	943,017	943,017	893,016
OPERATING EXPENSES			
Capital outlay	1,496,500	1,496,500	1,224,861
Debt service			
Principal	49,707	49,707	-
Total operating expenses	1,546,207	1,546,207	1,224,861
OPERATING INCOME (LOSS)	(603,190)	(603,190)	(331,845)
NONOPERATING REVENUES (EXPENSES)			
Investment income	40,115	40,115	21,274
Gain on disposal of capital assets	-	-	7,569
Total nonoperating revenues (expenses)	40,115	40,115	28,843
NET INCOME (LOSS) - BUDGET BASIS	(563,075)	(563,075)	(303,002)
ADJUSTMENT TO GAAP BASIS			
Assets capitalized	-	-	574,754
Depreciation	-	-	(473,367)
Total adjustments to GAAP basis	-	-	101,387
CONTRIBUTIONS	-	-	50,000
CHANGE IN NET POSITION	\$ (563,075)	\$ (563,075)	(151,615)
NET POSITION, MAY 1			7,016,196
NET POSITION, APRIL 30			\$ 6,864,581

(See independent auditor's report.)

FIDUCIARY FUNDS

TRUST FUNDS

Pension Trust Funds

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2013

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and cash equivalents	\$ 626,230	\$ 301,558	\$ 927,788
Investments			
U.S. government and agency obligations	10,317,579	5,836,510	16,154,089
State and local obligations	60,134	-	60,134
Money market mutual funds	-	125,378	125,378
Mutual funds	12,519,813	6,843,421	19,363,234
Illinois Metropolitan Investment Fund	130,633	200,750	331,383
Receivables			
Accrued interest	61,884	20,326	82,210
Prepaid items	917	3,074	3,991
Total assets	<u>23,717,190</u>	<u>13,331,017</u>	<u>37,048,207</u>
LIABILITIES			
Accounts payable	<u>4,751</u>	<u>700</u>	<u>5,451</u>
Total liabilities	<u>4,751</u>	<u>700</u>	<u>5,451</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 23,712,439</u>	<u>\$ 13,330,317</u>	<u>\$ 37,042,756</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 1,657,706	\$ 815,297	\$ 2,473,003
Employee contributions	475,746	282,142	757,888
Other contributions	204	-	204
Total contributions	2,133,656	1,097,439	3,231,095
Investment income			
Net appreciation in fair value of investments	1,589,277	862,347	2,451,624
Interest	582,426	321,269	903,695
Total investment income	2,171,703	1,183,616	3,355,319
Less investment expense	(43,037)	(26,894)	(69,931)
Net investment income	2,128,666	1,156,722	3,285,388
Total additions	4,262,322	2,254,161	6,516,483
DEDUCTIONS			
Benefits and refunds	1,548,170	750,437	2,298,607
Administrative expenses	21,142	25,483	46,625
Total deductions	1,569,312	775,920	2,345,232
NET INCREASE	2,693,010	1,478,241	4,171,251
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	21,019,429	11,852,076	32,871,505
April 30	\$ 23,712,439	\$ 13,330,317	\$ 37,042,756

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 1,657,706	\$ 1,657,706	\$ 1,657,706
Employee contributions	439,170	439,170	475,746
Other contributions	-	-	204
Total contributions	2,096,876	2,096,876	2,133,656
Investment income			
Net appreciation in fair value of investments	910,000	910,000	1,589,277
Interest	350,000	350,000	582,426
Total investment income	1,260,000	1,260,000	2,171,703
Less investment expense	(30,000)	(30,000)	(43,037)
Net investment income	1,230,000	1,230,000	2,128,666
Total additions	3,326,876	3,326,876	4,262,322
DEDUCTIONS			
Benefits and refunds	1,716,389	1,716,389	1,548,170
Administrative expenses	39,300	39,300	21,142
Total deductions	1,755,689	1,755,689	1,569,312
NET INCREASE	\$ 1,571,187	\$ 1,571,187	2,693,010
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			<u>21,019,429</u>
April 30			<u>\$ 23,712,439</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 815,297	\$ 815,297	\$ 815,297
Employee contributions	261,456	261,456	282,142
Total contributions	<u>1,076,753</u>	<u>1,076,753</u>	<u>1,097,439</u>
Investment income			
Net appreciation in fair value of investments	506,227	506,227	862,347
Interest	249,000	249,000	321,269
Total investment income	755,227	755,227	1,183,616
Less investment expense	(13,235)	(13,235)	(26,894)
Net investment income	<u>741,992</u>	<u>741,992</u>	<u>1,156,722</u>
Total additions	<u>1,818,745</u>	<u>1,818,745</u>	<u>2,254,161</u>
DEDUCTIONS			
Benefits and refunds	850,993	850,993	750,437
Administrative expenses	48,203	48,203	25,483
Total deductions	<u>899,196</u>	<u>899,196</u>	<u>775,920</u>
NET INCREASE	<u>\$ 919,549</u>	<u>\$ 919,549</u>	1,478,241
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			<u>11,852,076</u>
April 30			<u>\$ 13,330,317</u>

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2010

April 30, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2012	\$ 285,000	\$ 510,210	\$ 795,210	2013	\$ 255,105	2013	\$ 255,105
2013	290,000	503,513	793,513	2014	251,756	2014	251,757
2014	295,000	495,248	790,248	2015	247,624	2015	247,624
2015	305,000	485,218	790,218	2016	242,609	2016	242,609
2016	310,000	473,780	783,780	2017	236,890	2017	236,890
2017	315,000	460,604	775,604	2018	230,302	2018	230,302
2018	325,000	446,903	771,903	2019	223,451	2019	223,452
2019	330,000	431,628	761,628	2020	215,814	2020	215,814
2020	340,000	413,808	753,808	2021	206,904	2021	206,904
2021	345,000	395,448	740,448	2022	197,724	2022	197,724
2022	355,000	376,818	731,818	2023	188,409	2023	188,409
2023	365,000	357,648	722,648	2024	178,824	2024	178,824
2024	1,095,000	337,938	1,432,938	2025	168,969	2025	168,969
2025	1,130,000	277,164	1,407,164	2026	138,582	2026	138,582
2026	1,170,000	212,755	1,382,755	2027	106,378	2027	106,377
2027	1,210,000	145,480	1,355,480	2028	72,740	2028	72,740
2028	1,255,000	75,300	1,330,300	2029	37,650	2029	37,650
	<u>\$ 9,720,000</u>	<u>\$ 6,399,463</u>	<u>\$ 16,119,463</u>		<u>\$ 3,199,731</u>		<u>\$ 3,199,732</u>

(See independent auditor's report.)

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

April 30, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2012	\$ 50,000	\$ 299,138	\$ 349,138	2013	\$ 149,569	2013	\$ 149,569
2013	100,000	298,063	398,063	2014	149,031	2014	149,032
2014	150,000	295,412	445,412	2015	147,706	2015	147,706
2015	175,000	290,912	465,912	2016	145,456	2016	145,456
2016	200,000	284,438	484,438	2017	142,219	2017	142,219
2017	200,000	276,038	476,038	2018	138,019	2018	138,019
2018	200,000	267,038	467,038	2019	133,519	2019	133,519
2019	200,000	257,238	457,238	2020	128,619	2020	128,619
2020	200,000	246,838	446,838	2021	123,419	2021	123,419
2021	200,000	235,838	435,838	2022	117,919	2022	117,919
2022	200,000	224,138	424,138	2023	112,069	2023	112,069
2023	225,000	212,438	437,438	2024	106,219	2024	106,219
2024	250,000	198,375	448,375	2025	99,187	2025	99,188
2025	275,000	182,750	457,750	2026	91,375	2026	91,375
2026	275,000	164,875	439,875	2027	82,437	2027	82,438
2027	300,000	147,000	447,000	2028	73,500	2028	73,500
2028	300,000	126,000	426,000	2029	63,000	2029	63,000
2029	1,500,000	105,000	1,605,000	2030	52,500	2030	52,500
	<u>\$ 5,000,000</u>	<u>\$ 4,111,529</u>	<u>\$ 9,111,529</u>		<u>\$ 2,055,763</u>		<u>\$ 2,055,766</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

April 30, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2012	\$ 475,000	\$ 166,012	\$ 641,012	2013	\$ 83,006	2013	\$ 83,006
2013	485,000	156,512	641,512	2014	78,256	2014	78,256
2014	500,000	146,812	646,812	2015	73,406	2015	73,406
2015	505,000	136,812	641,812	2016	68,406	2016	68,406
2016	520,000	126,712	646,712	2017	63,356	2017	63,356
2017	535,000	116,312	651,312	2018	58,156	2018	58,156
2018	545,000	104,277	649,277	2019	52,138	2019	52,139
2019	565,000	90,650	655,650	2020	45,325	2020	45,325
2020	580,000	75,114	655,114	2021	37,557	2021	37,557
2021	600,000	57,712	657,712	2022	28,856	2022	28,856
2022	625,000	39,712	664,712	2023	19,856	2023	19,856
2023	645,000	20,962	665,962	2024	10,481	2024	10,481
	<u>\$ 6,580,000</u>	<u>\$ 1,237,599</u>	<u>\$ 7,817,599</u>		<u>\$ 618,799</u>		<u>\$ 618,800</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
1997 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

April 30, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due on			
				October 9	Amount	April 9	Amount
2014	\$ 221,965	\$ 24,525	\$ 246,490	2013	\$ 13,038	2013	\$ 11,487
2015	228,257	18,233	246,490	2014	9,914	2014	8,319
2016	234,728	11,762	246,490	2015	6,701	2015	5,061
2017	241,384	5,107	246,491	2016	3,397	2016	1,710
	<u>\$ 926,334</u>	<u>\$ 59,627</u>	<u>\$ 985,961</u>		<u>\$ 33,050</u>		<u>\$ 26,577</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
2000 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN

April 30, 2013

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due on			
				July 1	Amount	January 1	Amount
2014	\$ 100,343	\$ 17,194	\$ 117,537	2013	\$ 8,924	2013	\$ 8,270
2015	102,995	14,543	117,538	2014	7,607	2014	6,936
2016	105,716	11,822	117,538	2015	6,256	2015	5,566
2017	108,509	9,029	117,538	2016	4,868	2016	4,161
2018	111,376	6,162	117,538	2017	3,444	2017	2,718
2019	114,319	3,219	117,538	2018	1,982	2018	1,237
2020	36,691	482	37,173	2019	482	2019	-
	<u>\$ 679,949</u>	<u>\$ 62,451</u>	<u>\$ 742,400</u>		<u>\$ 33,563</u>		<u>\$ 28,888</u>

(See independent auditor's report.)

STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	108-115
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	116-125
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.	126-129
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.	130-131
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.	132-135

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

VILLAGE OF HANOVER PARK, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 43,373,185	\$ 42,683,565	\$ 43,981,453	\$ 43,282,520	\$ 44,085,337	\$ 45,392,922	\$ 44,420,879	\$ 44,389,269	\$ 45,248,341	\$ 48,546,851
Restricted	7,768,707	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,048,350	4,829,701
Unrestricted	(1,778,238)	187,403	2,669,003	8,575,116	12,336,999	14,230,151	18,596,124	13,059,714	15,514,984	11,779,582
TOTAL GOVERNMENTAL ACTIVITIES	\$ 49,363,654	\$ 51,929,981	\$ 56,256,244	\$ 61,262,697	\$ 65,569,196	\$ 68,193,183	\$ 70,095,779	\$ 71,113,055	\$ 65,811,675	\$ 65,156,134
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 22,334,652	\$ 22,194,042	\$ 22,195,261	\$ 21,978,529	\$ 22,593,334	\$ 23,024,852	\$ 23,062,850	\$ 23,554,396	\$ 26,694,874	\$ 27,371,016
Restricted	-	-	-	-	-	-	-	-	13,644	-
Unrestricted	6,184,876	6,709,398	6,975,685	7,590,332	8,033,586	7,287,097	6,988,149	6,239,034	6,277,037	7,296,568
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 28,519,528	\$ 28,903,440	\$ 29,170,946	\$ 29,568,861	\$ 30,626,920	\$ 30,311,949	\$ 30,050,999	\$ 29,793,430	\$ 32,985,555	\$ 34,667,584
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 65,707,837	\$ 64,877,607	\$ 66,176,714	\$ 65,261,049	\$ 66,678,671	\$ 68,417,774	\$ 67,483,729	\$ 67,943,665	\$ 71,943,215	\$ 75,917,867
Restricted	7,768,707	9,059,013	9,605,788	9,405,061	9,146,860	8,570,110	7,078,776	13,664,072	5,061,994	4,829,701
Unrestricted	4,406,638	6,896,801	9,644,688	16,165,448	20,370,585	21,517,248	25,584,273	19,298,748	21,792,021	19,076,150
TOTAL PRIMARY GOVERNMENT	\$ 77,883,182	\$ 80,833,421	\$ 85,427,190	\$ 90,831,558	\$ 96,196,116	\$ 98,505,132	\$ 100,146,778	\$ 100,906,485	\$ 98,797,230	\$ 99,823,718

Data Source

Audited Financial Statements

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

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

2007	2008	2009	2010	2011	2012	2013
\$ 2,995,293	\$ 3,170,869	\$ 3,673,924	\$ 3,208,066	\$ 4,618,393	\$ 4,634,174	\$ 4,988,649
3,123,131	4,053,485	3,644,764	4,718,013	1,085,698	5,183,573	711,260
12,112,702	13,823,930	15,252,239	15,805,836	17,146,057	15,473,122	18,014,749
1,745,000	3,957,924	1,432,745	1,608,453	5,160,147	8,971,096	4,070,954
1,899,180	2,200,904	2,412,849	2,019,122	1,582,651	1,499,979	3,946,982
791,433	690,844	570,923	517,780	906,055	1,041,142	1,054,210
22,666,739	27,897,956	26,987,444	27,877,270	30,499,001	36,803,086	32,786,804
7,292,161	7,367,849	7,667,569	7,847,111	8,044,254	8,443,812	8,976,177
329,848	353,128	348,435	329,761	336,895	309,014	280,836
-	-	-	-	-	230,810	694,736
7,622,009	7,720,977	8,016,004	8,176,872	8,381,149	8,983,636	9,951,749
\$ 30,288,748	\$ 35,618,933	\$ 35,003,448	\$ 36,054,142	\$ 38,880,150	\$ 45,786,722	\$ 42,738,553
\$ 855,148	\$ 836,179	\$ 837,821	\$ 909,723	\$ 1,085,427	\$ 1,106,938	\$ 1,157,752
1,732,822	1,386,053	1,661,190	1,607,603	1,732,022	1,969,673	2,045,438
292,135	243,066	134,915	331,637	15,800	14,116	22,493
-	-	-	-	171,931	126,584	150,684
-	-	-	-	-	-	-
1,228,520	1,230,772	1,121,001	1,032,614	1,546,945	1,432,867	1,228,338
76,798	1,438,909	-	-	543,452	475,557	318,006
4,185,423	5,134,979	3,754,927	3,881,577	5,095,577	5,125,735	4,922,711
7,549,899	7,242,681	7,191,418	7,588,046	7,965,071	8,889,712	10,210,092
277,673	291,960	296,545	272,798	292,286	328,749	317,446
-	-	-	-	-	236,916	669,670
-	-	-	-	-	-	-
-	827,377	-	-	-	102,105	688,932
7,827,572	8,362,018	7,487,963	7,860,844	8,257,357	9,557,482	11,886,140
\$ 12,012,995	\$ 13,496,997	\$ 11,242,890	\$ 11,742,421	\$ 13,352,934	\$ 14,683,217	\$ 16,808,851

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

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

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012	2013
\$ (18,481,316)	\$ (22,762,977)	\$ (23,232,517)	\$ (23,995,693)	\$ (25,403,424)	\$ (31,677,351)	\$ (27,864,093)
205,563	641,041	(528,041)	(316,028)	(123,792)	573,846	1,934,391
<hr/>						
\$ (18,275,753)	\$ (22,121,936)	\$ (23,760,558)	\$ (24,311,721)	\$ (25,527,216)	\$ (31,103,505)	\$ (25,929,702)
<hr/>						
\$ 10,313,391	\$ 10,315,338	\$ 11,819,859	\$ 13,068,529	\$ 13,130,988	\$ 14,808,277	\$ 13,110,176
3,867,302	4,025,910	5,051,309	4,744,662	7,561,001	7,432,314	7,394,170
1,872,699	2,015,759	1,886,260	1,821,364	1,750,085	1,730,990	1,621,854
40,376	40,591	32,711	33,614	32,979	35,281	36,686
1,083,296	1,101,714	1,088,047	1,047,406	1,072,674	1,086,568	1,018,775
596,318	399,850	196,003	167,871	223,762	298,311	225,065
89,869	102,976	94,052	83,336	92,787	83,412	82,765
3,226,202	3,524,383	3,487,693	3,040,184	2,984,408	3,096,265	3,422,147
1,450,517	1,492,471	793,552	331,555	150,716	71,672	106,443
912,304	3,975,283	1,359,699	1,548,494	78,619	113,146	99,397
35,495	75,201	47,319	11,274	163,219	(2,605,806)	315,418
<hr/>						
23,487,769	27,069,476	25,856,504	25,898,289	27,241,238	26,150,430	27,432,896
<hr/>						
275,851	329,724	181,599	43,133	19,723	8,996	10,825
(48,004)	162,495	78,790	23,219	9,719	3,477	52,231
(35,495)	(75,201)	(47,319)	(11,274)	(163,219)	2,605,806	(315,418)
<hr/>						
192,352	417,018	213,070	55,078	(133,777)	2,618,279	(252,362)
<hr/>						
\$ 23,680,121	\$ 27,486,494	\$ 26,069,574	\$ 25,953,367	\$ 27,107,461	\$ 28,768,709	\$ 27,180,534
<hr/>						
\$ 5,006,453	\$ 4,306,499	\$ 2,623,987	\$ 1,902,596	\$ 1,837,814	\$ (5,526,921)	\$ (431,197)
397,915	1,058,059	(314,971)	(260,950)	(257,569)	3,192,125	1,682,029
<hr/>						
\$ 5,404,368	\$ 5,364,558	\$ 2,309,016	\$ 1,641,646	\$ 1,580,245	\$ (2,334,796)	\$ 1,250,832
<hr/>						

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

Fiscal Year	2004	2005 ⁽¹⁾	2006	2007	2008	2009	2010 ⁽¹⁾	2011	2012 ⁽²⁾	2013
GENERAL FUND										
Reserved	\$ 858,837	\$ 755,240	\$ 730,035	\$ 798,214	\$ 874,984	\$ 831,732	\$ 1,072,335	\$ 840,075	\$ -	\$ -
Unreserved/undesignated	6,672,304	6,859,146	8,205,921	9,045,003	7,849,607	7,920,285	7,492,166	7,831,351	-	-
Nonspendable	-	-	-	-	-	-	-	-	2,106,350	1,561,197
Restricted	-	-	-	-	-	-	-	-	136,946	134,910
Unrestricted										
Assigned	-	-	-	-	-	-	-	-	674,316	-
Unassigned	-	-	-	-	-	-	-	-	7,099,207	8,473,882
TOTAL GENERAL FUND	\$ 7,531,141	\$ 7,614,386	\$ 8,935,956	\$ 9,843,217	\$ 8,724,591	\$ 8,752,017	\$ 8,564,501	\$ 8,671,426	\$ 10,016,819	\$ 10,169,989
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 7,768,707	\$ 15,343,970	\$ 11,119,689	\$ 9,674,392	\$ 9,378,098	\$ 8,759,345	\$ 7,226,197	\$ 22,127,853	\$ -	\$ -
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	-	(44,340)	(508,011)	-	-
Capital Project Funds	1,863,894	1,780,042	2,034,890	2,454,303	3,864,443	3,500,933	15,626,848	(95,629)	-	-
Nonspendable	-	-	-	-	-	-	-	-	332,306	-
Restricted	-	-	-	-	-	-	-	-	4,911,404	4,694,791
Unrestricted										
Assigned	-	-	-	-	-	-	-	-	518,719	273,045
Unassigned (deficit)	-	-	-	-	-	-	-	-	(388,417)	(304,265)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 9,632,601	\$ 17,124,012	\$ 13,154,579	\$ 12,128,695	\$ 13,242,541	\$ 12,260,278	\$ 22,808,705	\$ 21,524,213	\$ 5,374,012	\$ 4,663,571

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

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

Data Source

Audited Financial Statements

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004 ⁽¹⁾	2005 ⁽²⁾	2006 ⁽³⁾
REVENUES			
Taxes	\$ 17,560,994	\$ 15,252,100	\$ 17,562,838
Licenses and permits	809,478	820,362	840,525
Intergovernmental	1,132,424	4,858,717	4,765,342
Charges for services and fees	285,642	925,111	1,314,082
Fines and forfeits	494,211	518,741	615,398
Investment income	223,741	396,188	740,859
Miscellaneous	684,292	551,567	1,159,346
Total revenues	21,190,782	23,322,786	26,998,390
EXPENDITURES			
General government	2,878,432	2,728,647	3,050,356
Public works	2,796,481	2,471,206	2,571,833
Public safety	10,192,937	11,345,508	12,289,563
Community development	1,051,288	879,085	1,186,171
Highways and streets	1,871,204	1,093,708	1,215,723
Capital outlay	1,708,830	1,500,129	6,478,415
Debt service			
Principal	1,760,200	2,053,638	2,012,617
Interest and fiscal charges	749,039	699,117	913,063
Total expenditures	23,008,411	22,771,038	29,717,741
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,817,629)	551,748	(2,719,351)
OTHER FINANCING SOURCES (USES)			
Proceeds from bonds	229,543	7,000,000	-
Premiums (discounts) on debt issuance	-	-	-
Payment to escrow agent	-	-	-
Transfers in	1,797,387	601,923	1,246,418
Transfers (out)	(2,122,260)	(579,015)	(1,174,930)
Sale of property	10,000	-	-
Total other financing sources (uses)	(85,330)	7,022,908	71,488
NET CHANGE IN FUND BALANCES	\$ (1,902,959)	\$ 7,574,656	\$ (2,647,863)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.78%	12.94%	12.59%

(1) The decrease in fund balance was the result of the spend down of the proceeds from the 2001 General Obligation Bonds.

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

(3) The decrease in fund balance is due to the expenditure of bonds proceeds from the 2004

General Obligation Bonds for the construction of a new Headquarters Fire Station.

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

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

Data Source

Audited Financial Statements

2007 ⁽³⁾	2008	2009	2010 ⁽⁴⁾	2011	2012 ⁽⁵⁾	2013
\$ 17,275,302	\$ 17,362,673	\$ 19,541,574	\$ 20,429,442	\$ 26,848,683	\$ 25,475,151	\$ 23,406,726
871,302	839,389	774,180	1,021,353	968,506	911,722	979,424
5,119,469	5,394,620	5,235,361	4,610,138	1,863,227	5,004,050	4,985,926
1,385,294	1,080,833	1,293,540	1,180,163	1,238,743	1,650,614	1,720,380
608,308	528,764	550,398	630,843	512,934	640,015	660,603
1,176,037	1,144,525	572,536	247,200	150,716	71,672	106,443
912,304	3,039,352	843,209	1,460,270	590,787	128,747	180,687
27,348,016	29,390,156	28,810,798	29,579,409	32,173,596	33,881,971	32,040,189
2,854,656	2,972,390	3,501,523	3,092,878	4,808,312	5,280,476	4,923,925
2,769,315	3,331,597	3,263,408	3,321,777	2,901,960	3,583,057	3,888,126
13,202,008	13,589,622	14,559,167	15,643,448	16,085,156	17,232,650	17,388,396
1,425,830	3,885,488	1,374,261	1,385,981	1,058,951	5,566,340	968,226
1,693,169	1,206,230	1,720,920	1,391,323	711,830	659,311	752,272
2,345,634	1,250,792	2,113,267	1,174,993	10,329,362	14,402,668	3,188,327
2,394,137	2,509,878	2,670,000	2,660,000	1,045,000	8,095,000	730,000
817,385	724,140	610,408	479,372	713,273	1,257,620	1,073,606
27,502,134	29,470,137	29,812,954	29,149,772	37,653,844	56,077,122	32,912,878
(154,118)	(79,981)	(1,002,156)	429,637	(5,480,248)	(22,195,151)	(872,689)
-	-	-	10,000,000	5,000,000	7,030,000	-
-	-	-	(80,000)	(40,000)	102,775	-
-	-	-	-	-	-	-
788,972	2,450,815	824,320	3,814,247	3,480,058	5,665,632	1,198,605
(753,477)	(2,375,614)	(777,001)	(3,802,973)	(3,316,839)	(5,633,605)	(883,187)
-	-	-	-	-	-	-
35,495	75,201	47,319	9,931,274	5,123,219	7,164,802	315,418
\$ (118,623)	\$ (4,780)	\$ (954,837)	\$ 10,360,911	\$ (357,029)	\$ (15,030,349)	\$ (557,271)
12.52%	11.66%	11.57%	11.01%	5.93%	25.28%	5.75%

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
COOK COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2003	\$ 157,548,124	\$ 2,948	\$ 51,851,859	\$ 6,594,056	\$ 215,996,987	\$ -	\$ 215,996,987	1.486
2004	185,522,484	-	54,752,068	5,736,273	246,010,825	-	246,010,825	1.437
2005	196,068,136	2,649	56,662,400	6,009,123	258,742,308	-	258,742,308	1.343
2006	201,194,694	2,649	52,230,877	6,577,841	260,006,061	-	260,006,061	1.402
2007	231,228,718	2,649	56,923,990	5,514,740	293,670,097	-	293,670,097	1.286
2008	250,690,470	2,649	58,979,875	5,454,224	315,127,218	-	315,127,218	1.183
2009	280,452,625	1,656	56,257,117	4,802,915	341,514,313	-	341,514,313	1.167
2010	254,796,416	1,656	50,647,229	5,196,458	310,641,759	-	310,641,759	1.549
2011	237,115,286	1,656	56,439,864	11,102,423	304,659,229	-	304,659,229	1.591
2012	N/A	N/A	N/A	N/A	N/A	N/A	280,598,471	1.939

N/A - Current not available

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
DUPAGE COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2003	\$ 262,039,982	\$ 26,326	\$ 16,662,830	\$ 66,715,460	\$ 345,444,598	\$ 7,791	\$ 345,452,389	1.2891
2004	280,454,471	23,693	19,245,640	71,438,140	371,161,944	7,429	371,169,373	1.3371
2005	303,027,925	21,322	20,574,170	74,112,050	397,735,467	7,429	397,742,896	1.2716
2006	327,307,467	20,208	20,972,440	79,629,190	427,929,305	11,078	427,940,383	1.2897
2007	351,550,142	17,962	21,677,650	79,256,420	452,502,174	15,750	452,517,924	1.2124
2008	368,655,019	19,489	22,139,080	83,243,390	474,056,978	20,597	474,077,575	1.2199
2009	365,703,065	21,440	22,122,460	81,369,680	469,216,645	25,317	469,241,962	1.3755
2010	336,808,809	23,589	20,901,850	75,250,920	432,985,168	26,401	433,011,569	1.5830
2011	297,482,660	25,920	20,775,950	72,968,610	391,253,140	23,933	391,277,073	1.6506
2012	262,398,693	28,512	18,710,960	64,919,690	346,057,855	29,291	346,087,146	2.1327

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY

Last Ten Levy Years

Tax Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
VILLAGE DIRECT RATES										
General corporate rate	1.355	1.269	1.191	1.249	1.150	1.063	1.053	1.305	1.385	1.686
Debt service rate	0.131	0.168	0.152	0.153	0.136	0.120	0.114	0.244	0.205	0.253
Total Direct Rate	1.486	1.437	1.343	1.402	1.286	1.183	1.167	1.549	1.590	1.939
OVERLAPPING RATES										
School District #46	5.606	4.945	4.746	4.874	4.565	4.435	4.339	5.026	5.507	6.540
School District #509	0.426	0.434	0.421	0.347	0.348	0.331	0.354	0.434	0.475	0.546
Hanover Park Park District	0.534	0.469	0.441	0.471	0.423	0.386	0.371	0.429	0.442	0.511
County including Forest Preserve District and TB Sanitarium	0.693	0.654	0.598	0.562	0.499	0.466	0.443	0.474	0.545	0.594
Hanover Township	0.273	0.242	0.237	0.250	0.224	0.223	0.239	0.248	0.287	0.324
Metropolitan Water Reclamation District	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370
Northwest Mosquito Abatement District	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011
Poplar Creek Library	0.355	0.318	0.304	0.310	0.367	0.357	0.350	0.394	0.449	0.515
Community Mental Health	0.040	0.036	0.035	0.037	0.033	0.033	0.033	0.038	0.044	0.050
Consolidated Elections	0.029	-	0.014	-	0.012	-	-	-	-	-
TOTAL DIRECT AND OVERLAPPING TAX RATE	9.813	8.891	8.463	8.546	8.028	7.674	7.565	8.875	9.669	11.400

N/A - Not Currently Available

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

Data Source

Cook County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - DUPAGE COUNTY

Last Ten Levy Years

Tax Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
VILLAGE DIRECT RATES										
General corporate rate	1.1861	1.1960	1.1419	1.1635	1.0978	1.1095	1.2555	1.3739	1.5272	1.8829
Debt service rate	0.1027	0.1411	0.1297	0.1262	0.1146	0.1104	0.1200	0.2091	0.1994	0.2498
Total Direct Rate	1.2888	1.3371	1.2716	1.2897	1.2124	1.2199	1.3755	1.5830	1.7266	2.1327
OVERLAPPING RATES										
School District #93	3.0360	3.3667	3.5070	3.6473	3.6473	3.6442	3.7112	3.9130	4.1112	4.6112
School District #87	1.8530	1.7716	1.7200	1.7210	1.6612	1.6507	1.6749	1.8378	2.0199	2.2868
Community College #502	0.2100	0.1968	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681
Hanover Park Park District	0.4340	0.4267	0.4055	0.4059	0.3801	0.3801	0.4091	0.4250	0.4554	0.5614
County including Forest Preserve										
District and Airport	0.3650	0.3421	0.3266	0.3199	0.3008	0.2923	0.2919	0.3138	0.3356	0.3639
Wayne Township	0.1570	0.1450	0.1400	0.1370	0.1289	0.1253	0.1268	0.1378	0.1479	0.1626
Poplar Creek Library	0.3040	0.3022	0.3004	0.3131	0.3696	0.3522	0.4003	0.4158	0.4553	0.5977
TOTAL DIRECT AND OVERLAPPING TAX RATE	7.6478	7.8882	7.8585	8.0268	7.8891	7.8505	8.2024	8.8611	9.5014	10.9844

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	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
AMB-Turnberry Lakes	\$ 13,158,840	1	2.10%	\$ 6,438,740	3	1.20%
Cabot Properties, Inc.	5,653,240	2	0.90%	-		0.00%
Realty Associates Fund IX	5,233,690	3	0.84%	-		0.00%
Westview Center - Newplan Excel	4,222,435	4	0.67%	10,628,960	1	1.90%
Fisher Scientific Company	3,705,760	5	0.59%	-		0.00%
NEQ/EOLA - Turnberry Lakes	3,676,890	6	0.59%	4,374,050	5	0.80%
Cardinal Capital Partners	2,868,050	7	0.46%	-		0.00%
Buckhead Industrial Properties	2,729,610	8	0.44%	-		0.00%
Menards	2,658,292	9	0.42%	3,743,682	7	0.70%
Iron Mountain	2,390,860	10	0.38%	-		0.00%
Norcor Tradewinds	-		0.00%	8,870,054	2	1.60%
Wheaton Bank Trust 1238	-		0.00%	5,174,059	4	0.90%
Fellowes Manufacturing	-		0.00%	4,301,020	6	0.80%
Individual Taxpayer - Pebblewood Court Apts	-		0.00%	3,436,369	8	0.60%
CNC - Prairie Station Apts	-		0.00%	3,540,300	9	0.40%
Circuit City	-		0.00%	2,409,550	10	0.40%
	<u>\$ 46,297,667</u>		<u>7.39%</u>	<u>\$ 52,916,784</u>		<u>9.30%</u>

Data Source

Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Fiscal Year Ended April 30,	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2004	\$ 7,194,040	\$ 1,409,463	19.59%	\$ 5,876,497	\$ 7,285,960	101.28%
2004	2005	7,940,587	1,461,007	18.40%	6,513,435	7,974,442	100.43%
2005	2006	8,113,730	1,597,398	19.69%	6,401,963	7,999,361	98.59%
2006	2007	8,669,475	1,581,476	18.24%	6,985,693	8,567,169	98.82%
2007	2008	8,771,573	1,643,467	18.74%	7,003,039	8,646,506	98.57%
2008	2009	8,997,079	1,689,164	18.77%	7,087,709	8,776,873	97.55%
2009	2010	9,360,557	1,840,527	19.66%	7,062,439	8,902,966	95.11%
2010	2011	11,081,993	1,677,810	15.14%	8,978,384	10,656,384	96.16%
2011	2012	11,294,245	2,548,018	22.56%	8,275,352	10,823,370	95.83%
2012	2013	11,718,824	2,478,683	21.15%	N/A	2,478,683	21.15%

N/A - Not available

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General merchandise	\$ -	\$ 2,961	\$ 2,926	\$ 4,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	684,117	592,035	566,784	537,689	560,621	573,464	606,170	585,020	597,879	472,391
Drinking and eating places	251,265	254,085	276,760	284,919	286,025	281,456	256,548	253,927	264,442	278,890
Apparel	489	2,658	4,351	9,496	-	-	-	-	-	-
Furniture & HH & radio	125,549	127,962	126,497	102,353	104,591	42,647	24,904	24,015	24,163	27,875
Lumber, building and hardware	246,684	253,769	267,115	267,284	264,845	277,415	416,200	444,876	459,688	517,245
Automobile and filling stations	237,677	244,692	274,502	288,409	318,134	309,685	279,146	329,497	370,963	303,586
Drugs and miscellaneous retail	386,677	412,989	384,557	413,431	428,619	405,162	416,339	470,691	503,913	571,334
Agriculture and all others	356,152	471,654	488,584	498,388	534,035	1,194,051	2,035,368	2,398,052	2,614,185	2,542,521
Manufacturers	65,066	20,791	24,667	18,815	38,436	72,542	79,521	57,678	29,619	29,239
TOTAL	\$ 2,353,676	\$ 2,383,596	\$ 2,416,743	\$ 2,425,730	\$ 2,535,306	\$ 3,156,422	\$ 4,114,196	\$ 4,563,756	\$ 4,864,852	\$ 4,743,081
VILLAGE DIRECT SALES TAX RATE	1.00%									

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

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

Calendar Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General merchandise	\$ -	\$ 1,393	\$ 1,303	\$ 2,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	88,061	80,129	83,355	74,013	75,161	64,159	68,648	70,052	71,383	56,370
Drinking and eating places	117,872	118,490	128,593	130,218	131,575	129,871	119,158	118,713	123,355	133,067
Apparel	244	1,329	2,176	4,748	-	-	-	-	-	-
Furniture & HH & radio	61,727	62,908	63,233	51,174	52,293	21,323	12,452	12,006	12,082	13,938
Lumber, building and hardware	122,537	125,973	132,419	132,285	130,691	136,980	204,575	219,262	226,021	254,137
Automobile and filling stations	108,244	111,532	129,927	137,456	148,079	147,813	133,108	156,364	177,242	139,940
Drugs and miscellaneous retail	101,727	109,254	91,921	97,012	100,342	88,635	91,278	121,662	133,369	167,456
Agriculture and all others	176,259	175,489	213,335	237,893	261,862	594,900	1,014,659	1,196,027	1,304,854	1,269,342
Manufacturers	32,464	10,371	12,207	9,307	19,123	36,144	39,529	28,387	14,353	14,061
TOTAL	\$ 809,135	\$ 796,868	\$ 858,469	\$ 876,255	\$ 919,126	\$ 1,219,825	\$ 1,683,407	\$ 1,922,473	\$ 2,062,659	\$ 2,048,311
VILLAGE HOME RULE SALES TAX RATE	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Note: Information available for calendar year only

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Regional Transportation Authority	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.75%	1.75%	1.25%	1.00%	0.75%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	8.25%	8.25%	8.25%	8.25%	8.50%	9.50%	9.50%	9.00%	8.75%	8.50%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Regional Transportation Authority	0.25%	0.25%	0.25%	0.25%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds						
2004	\$ 7,710,000	\$ 355,269	\$ 8,375,000	\$ 4,142,401	\$ 20,582,670	\$ 561,449,376	3.67%	3.71%	\$ 537.72
2005	13,850,000	502,846	7,400,000	3,890,457	25,643,303	617,180,198	4.15%	2.98%	669.92
2006	12,970,000	369,264	6,325,000	3,631,523	23,295,787	656,485,204	3.55%	3.28%	608.59
2007	12,060,000	232,021	4,900,000	3,365,405	20,557,426	687,946,444	2.99%	3.72%	537.06
2008	11,120,000	131,834	3,350,000	3,091,905	17,693,739	746,188,021	2.37%	4.32%	462.24
2009	10,150,000	49,250	1,650,000	2,810,817	14,660,067	789,204,793	1.86%	5.21%	382.99
2010	19,140,000	-	-	2,522,513	21,662,513	810,756,275	2.67%	3.53%	565.91
2011	23,095,000	-	-	2,225,029	25,320,029	753,653,328	3.36%	3.40%	666.79
2012	22,030,000	-	-	1,919,889	23,949,889	695,936,302	3.44%	3.59%	630.71
2013	21,289,045	-	-	1,606,283	22,895,328	626,685,617	3.65%	3.76%	602.94

N/A - Currently Not Available

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2004	\$ 7,710,000	\$ 522,898	\$ 7,187,102	1.28%	\$ 187.76
2005	13,850,000	742,290	13,107,710	2.12%	342.43
2006	12,970,000	949,405	12,020,595	1.83%	314.03
2007	12,060,000	881,208	11,178,792	1.62%	292.04
2008	11,120,000	790,270	10,329,730	1.38%	269.86
2009	10,150,000	512,014	9,637,986	1.22%	251.79
2010	19,140,000	169,528	18,970,472	2.34%	495.60
2011	23,095,000	-	23,095,000	3.06%	608.20
2012	22,030,000	234,149	21,795,851	3.13%	573.98
2013	21,289,045	370,984	20,918,061	3.34%	550.87

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

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

Data Source

Village Records

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2013

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Hanover Park	\$ 21,289,045	100.00%	\$ 21,289,045
School District #20	5,760,000	35.48%	2,043,648
School District #93	16,625,000	8.84%	1,469,650
High School District #87	31,815,000	1.98%	629,937
High School District #108	46,830,000	7.08%	3,315,564
High School District #211	17,255,000	1.96%	338,198
Community School District #46	287,505,996	7.90%	22,712,974
Community College District #502	252,841,554	0.71%	1,795,175
Community College District #509	186,260,000	2.16%	4,023,216
Community College District #512	178,285,000	0.78%	1,390,623
Total school districts	<u>1,023,177,550</u>		<u>37,718,985</u>
Cook County	3,706,435,000	0.21%	7,783,514
DuPage County	297,075,000	1.00%	2,970,750
Cook County Forest Preserve District	187,950,000	0.21%	394,695
DuPage County Forest Preserve District	189,315,100	1.00%	1,893,151
Metropolitan Water Reclamation District	2,238,816,507	0.21%	4,701,515
Bartlett Park District	31,425,000	5.22%	1,640,385
Hanover Park Park District	4,565,000	93.51%	4,268,732
Schaumburg Park District	22,350,000	1.57%	350,895
Poplar Creek Library District	20,715,000	33.59%	6,958,169
Bloomington Fire Protection District	2,090,000	5.32%	111,188
Total other	<u>6,700,736,607</u>		<u>31,072,994</u>
Total overlapping debt	<u>7,723,914,157</u>		<u>68,791,979</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 7,745,203,202</u>		<u>\$ 90,081,024</u>

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

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

Data Source

Cook and DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

April 30, 2013

The Village is a home rule municipality.

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

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

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

VILLAGE OF HANOVER PARK, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2004	38,278	\$ 764,029	\$ 19,960	29.7	5,158	6.70%
2005	38,278	764,029	19,960	29.7	5,158	6.30%
2006	38,278	764,029	19,960	29.7	6,432	4.80%
2007	38,278	764,029	19,960	29.7	6,432	5.40%
2008	38,278	764,029	19,960	29.7	6,432	6.80%
2009	38,278	764,029	19,960	29.7	6,432	11.20%
2010	38,278	764,029	19,960	29.7	6,432	11.40%
2011	37,973	859,823	22,643	31.5	7,799	10.40%
2012	37,973	859,823	22,643	31.5	7,799	8.90%
2013	37,973	859,823	22,643	31.5	7,799	10.10%

Data Sources

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2013 (1)			2004 (2)		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Maines Paper & Food Service	400	1	8.00%			
Fischer Scientific	300	2	6.00%	400	1	9.92%
Insight Enterprises, Inc.	250	3	5.00%	250	2	
Camcraft, Inc.	225	4	4.50%	180	6	4.46%
Everpure, LLC	200	5	4.00%			
AMPAC	200	5	4.00%			
Village of Hanover Park	193	7	3.86%	182	5	4.51%
Fuji Film	150	8	3.00%	200	3	4.96%
Fellowes Manufacturing	150	8	3.00%	150	8	3.72%
Wilson Pet Supply	120	10	2.40%	150	7	3.72%
General Binding Corp				200	4	
Fischer Scientific Distribution Center				100	9	
MAXRAD, Inc.				100	10	
	<u>2,188</u>		<u>43.76%</u>	<u>1,912</u>		<u>31.29%</u>

Data Sources

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

(1) A selective telephone survey.

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

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL GOVERNMENT										
Village Clerk	1	1	1	1	1	1	2	2	2	2
Administration	8	8	8	8	4	4	2	2	2	2
Legal	2	2	2	2	2	2	-	-	-	-
Human Resources	4	3	3	3	3	3	3	3	3	3
Information Technology	-	-	-	-	3	3	3	3	3	3
Finance	13	12	12	12	10	9	9	10	10	9
PUBLIC WORKS	37	35	35	35	39	39	37	38	38	38
POLICE	69	69	71	73	74	78	81	80	80	80
FIRE	27	30	30	33	36	36	36	37	40	41
COMMUNITY DEVELOPMENT	10	9	9	9	9	9	8	6	2	2
WATER AND SEWER	11	11	11	11	12	12	12	12	12	12
TOTAL	182	180	182	187	193	196	193	193	192	192

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PUBLIC WORKS										
Forestry										
Number of parkway trees planted	39	49	33	36	12	38	42	50	-	-
Number of parkway trees trimmed	1,679	1,880	2,176	2,457	2,443	1,724	1,994	2,094	2,311	2,123
Brush pickup program (cubic yards collected)	2,132	1,983	2,051	2,205	2,314	1,593	1,660	1,765	1,465	1,640
Fleet services										
Number of vehicles maintained	147	149	149	150	150	150	150	150	152	154
Preventative maintenance services	405	392	418	403	412	417	419	427	436	418
PUBLIC SAFETY										
Fire										
Number of fire calls	697	665	775	787	907	909	830	912	938	970
Number of EMS calls	1,798	1,745	1,831	1,885	2,022	2,225	2,045	2,255	2,347	2,356
Number of training hours	8,171	7,151	7,109	6,555	11,484	10,960	10,767	10,967	14,879	13,626
ISO rating	4	4	4	4	4	4	4	4	4	4
Police										
Part I crime	892	742	793	666	704	656	660	587	503	481
Part II crime	3,051	3,104	3,758	4,394	4,469	3,799	3,674	4,476	5,019	5,611
Calls for service	44,272	40,669	42,127	43,358	42,583	43,257	40,279	42,226	44,675	47,775
State tickets issued	5,967	7,453	8,812	9,564	8,808	7,069	6,022	6,320	7,039	9,135
Compliance tickets issued	109	24	95	118	43	5	14	26	15	16
Parking tickets issued	17,740	16,000	18,827	17,752	13,710	14,147	10,539	12,161	11,918	13,786
COMMUNITY DEVELOPMENT										
Number of building permits issued	2,421	2,028	1,633	1,442	1,794	1,402	1,233	1,808	1,405	1,502
Number of building inspections	6,000	7,052	5,957	5,694	5,267	5,744	3,246	3,845	2,585	2,791
Number of food service inspections	337	354	346	355	336	338	488	509	484	493
HIGHWAYS AND STREETS										
Sidewalk replaced (square feet)	35,438	23,400	24,667	22,511	21,148	17,629	18,377	25,100	26,361	30,159
Annual resurfacing program (\$)	660,323	586,848	672,363	630,085	553,835	584,161	563,027	647,921	550,713	917,493
Crack sealing (pounds installed)	24,533	26,120	27,420	24,910	24,900	-	29,400	27,000	22,700	21,777

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
WATER AND SEWER										
Water main breaks	85	59	96	37	39	49	37	58	55	75
Hydrants flushed	1,395	1,428	1,438	1,443	1,455	1,463	1,462	1,484	1,475	1,475
Water meters read	66,368	65,978	66,472	66,547	97,025	68,140	66,798	68,186	69,019	67,618
Water meter service requests	8,596	9,080	6,879	6,566	6,050	5,870	6,266	6,301	6,080	6,357
Water meters replaced	2,452	2,440	240	31	17	29	32	32	22	32
Total distribution pumpage (1,000 gallons)	1,011,422	973,198	1,095,611	1,084,912	1,029,079	965,392	974,916	954,763	938,977	929,490
Average daily pumpage (1,000 gallons)	2,771	2,666	3,002	2,972	2,819	2,645	2,671	2,616	2,566	2,547
Sanitary sewer televising (feet)	1,320	505	20,551	25,547	39,422	3,851	41,425	50,743	65,210	17,615
Sanitary sewer repairs	3	2	2	7	4	1	3	3	2	1

N/A - Not available

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
PUBLIC WORKS										
Streets (miles)	98.88	99.36	99.36	99.36	99.36	99.36	99.36	99.36	80.13	99.36
Sidewalks (miles)	154.04	154.04	154.04	154.66	154.84	155.13	155.13	155.13	155.15	155.15
Streetlights	935	1,041	1,041	1,076	1,081	1,086	1,090	1,130	1,138	1,141
WATER AND SEWER										
Water mains (miles)	110.49	111.51	111.51	111.75	111.83	111.78	112.05	112.35	112.35	112.35
Fire hydrants	1,428	1,449	1,449	1,452	1,459	1,464	1,469	1,474	1,475	1,475
Sanitary sewers (miles)	93.10	93.94	93.94	93.86	93.96	93.96	93.76	93.76	93.80	93.80
Manholes	2,322	2,347	2,347	2,347	2,351	2,351	2,342	2,343	2,346	2,346

Data Source

Village records