

VILLAGE OF HANOVER PARK, ILLINOIS



Hanover Park^{USA}

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

VILLAGE OF HANOVER PARK, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2019

Prepared by Department of Finance

Remy Navarrete
Director of Finance

VILLAGE OF HANOVER PARK, ILLINOIS

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INTRODUCTORY SECTION

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2019

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig, President

Bob Prigge

Fanny Y. Lopez-Benitez

James Kemper

Rick Roberts

Herb Porter

Sharmin Shahjahan

Eira Corral Sepulveda, Clerk

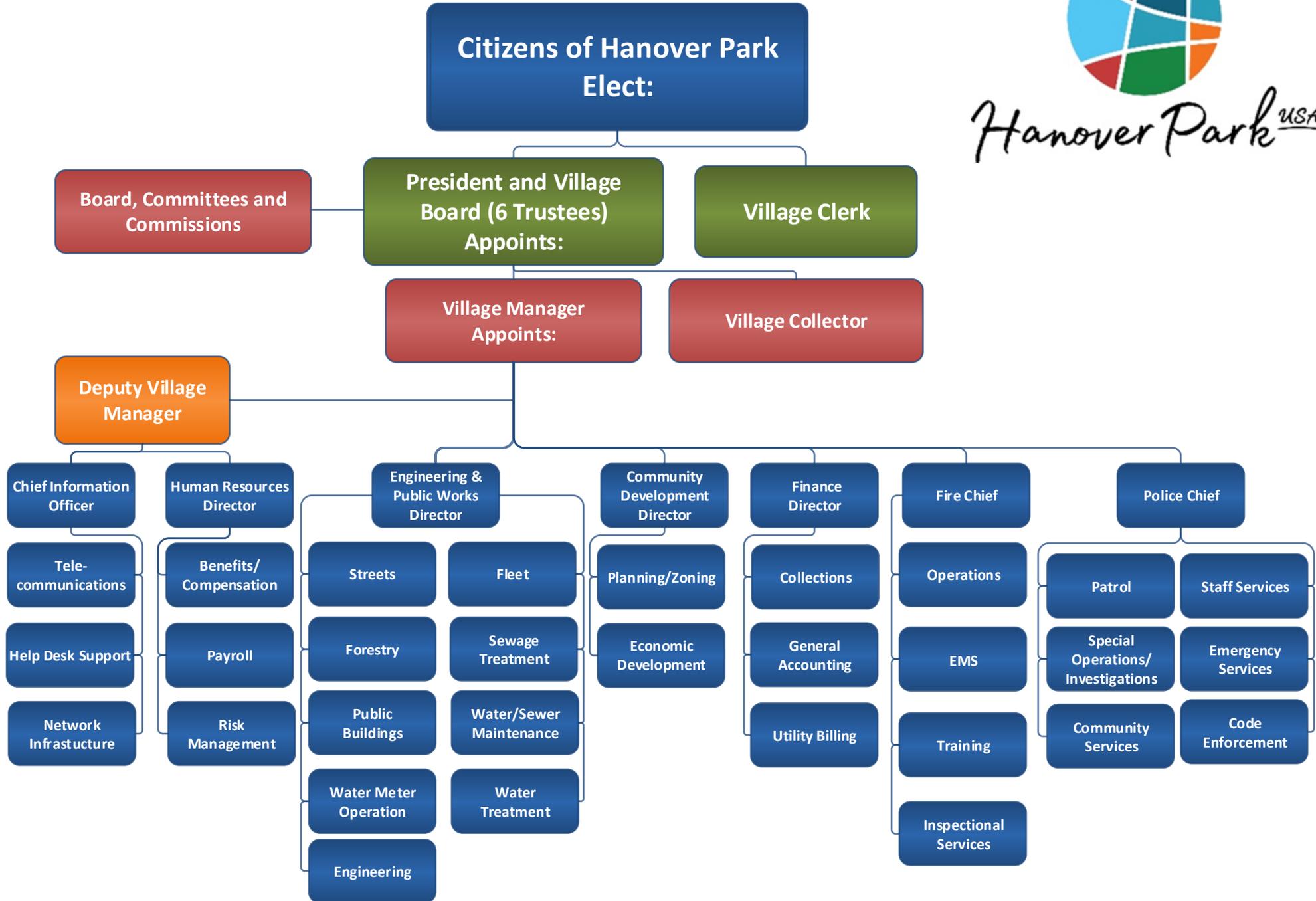
ADMINISTRATIVE

Juliana Maller, Manager

FINANCE DEPARTMENT

Remy Navarrete
Director of Finance

Village of Hanover Park – Table of Organization





Government Finance Officers Association

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

Presented to

**Village of Hanover Park
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morvill

Executive Director/CEO



Village of Hanover Park Administration

Municipal Building
2121 West Lake Street, Hanover Park, IL 60133
630-823-5600 tel 630-823-5786 fax

hpil.org

Village President
Rodney S. Craig

Village Clerk
Eira L. Corral Sepúlveda

Trustees
Liza Gutierrez
James Kemper
Herb Porter
Bob Prigge
Rick Roberts
Sharmin Shahjahan

Village Manager
Juliana A. Maller

June 26, 2020

The Citizens of the Village of Hanover Park,
Village President Rodney Craig, and Board of Trustees
and Other Interested Parties
Village of Hanover Park, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ending December 31, 2019 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). It includes all the accounts and funds of the Village and to be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending December 31, 2019.

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 are included. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Hanover Park's financial statements in accordance with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the Village's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion on the Village's financial statements for the year ending December 31, 2019. The independent auditor's report is 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 Council-Manager form of government. The Village is a home-rule community as defined by the Illinois State Constitution. The Village is a residential community, with 99.36 miles of streets, located approximately 30 miles northwest of downtown Chicago and encompasses an area of approximately 7 square miles, with 2.75 square miles within Cook County and 4.25 miles within DuPage County. The Village's population, per the 2010 census, is 37,973.

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

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot.

In December 2011, the Village purchased the Hanover Square Shopping Center along Barrington Road. A management company specializing in shopping centers was hired by the Village to run operations on behalf of the Village. Weekly meetings between the management company and the Village are held to report financial statements as well as receive updates on the center. In September 2015, the Village entered into a redevelopment agreement to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established Limited Liability Company, Hanover Square, LLC, and acquired a 90% membership interest in the company. During the year 2016, the developer defaulted on its obligations and the remaining 10% membership interest reverted to the Village. Hanover Square LLC is now operated with only one member, the Village. As a result, Hanover Square have been presented as a discretely presented component unit in the government-wide financial statements as of January 1, 2016.

On January 1, 2013, the Village entered a 39-year lease for the Metropolitan Water Reclamation District (MWRD) land also located along Barrington Road. The lease was entered to provide youth programming and visual improvements for the site.

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

The Village Board is required to hold a public hearing on the proposed budget, and a final budget going forward must be adopted by the Village Board by December 31st of each fiscal year. The legal level of budgetary control is at the fund level.

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

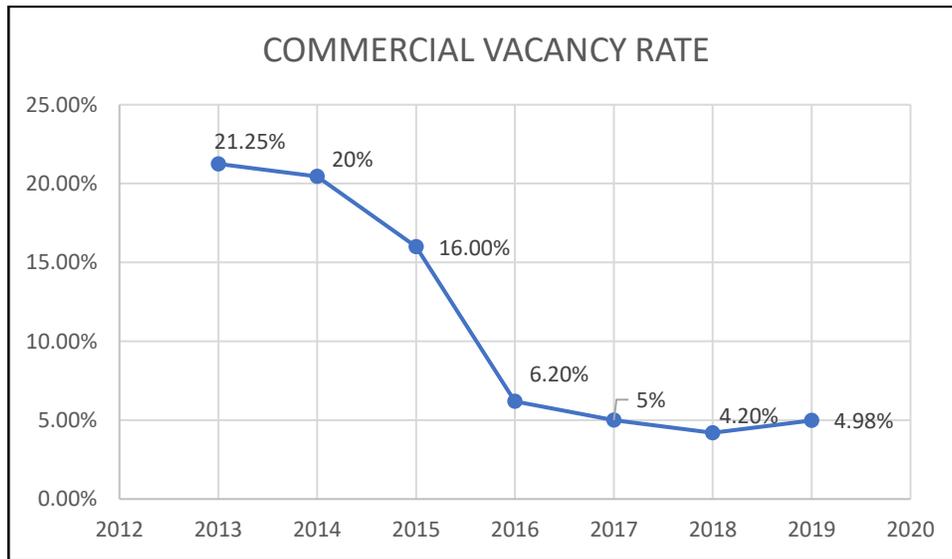
There were 198 full-time positions and 42 part-time positions, excluding seasonal workers, in the Fiscal Year 2019 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters, and Public Works employees.

Local Economy

The Village of Hanover Park is home to almost 400 businesses, ranging from large international businesses to ‘mom-and-pop’ shops. There is more than 5,000,000 sq. ft. of Class A industrial development located in three Business Parks within the Village and 23 shopping centers ranging in size from 6,000 sq. ft. to 200,000 sq. ft. More than 50 food establishments are located within the Village including family friendly, ethnic, and fast food restaurants. We continue to expand our options for a ‘global dining’ experience, in keeping our tagline of “America’s Global Village”.

In 2019, over \$6.2M worth of private investment was made in the business community, including an interior remodeling and expansion of the Hanover Park Menards, and renovations for new businesses including Cross Country Mortgage, Elite Care Dental of Hanover Park, El Toreo West Supermercado and Restaurant, Mike’s Wine & Spirits, Neehee’s Indian Street Food, Outlet Furniture & Mattress, and Yummy Station. Jabil Manufacturing expanded their building. New industrial businesses include Power Solutions International, Trestle Fulfillment, TTSG, and US Direct. The Village’s largest shopping center, Westview Plaza was sold in 2019.

The Village commercial vacancy rate has been reduced from over 21.25% in 2013 to 4.98% in 2019. Our industrial vacancy rate continues to be low as well.



The comparison of the following key revenues for the General Fund operating account is as follows:

- **Property Taxes** – the Village has collected \$11,772,159 or 100.96% of the budgeted amount that shows an increase of \$111,659 from budget to actual in FY2019 due to prior year tax levy collected in FY2019.
- **Telecommunication Tax** – the Village has collected \$426,228 or 103.96% of the budgeted amount that shows an increase of \$16,228 from budget to actual in FY2019. The account continues to decrease due to consumers changing to data plans for cell service which are not taxable.
- **Electric Tax** – the Village has collected \$967,568 or 97.73% of the budgeted amount that shows a decrease of \$22,432 from budget to actual in FY2019. Taxes are generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Natural Gas Tax** – the Village has collected \$460,441 or 110.95% of the budgeted amount that shows an increase of \$45,441 from budget to actual in FY2019. Like Electric Tax, taxes are generated based on actual usage and largely dependent on fluctuation in temperatures. The natural gas tax rate change from \$0.015 cents per therm to \$0.03 cents per therm was effective January 1, 2018.

- **Basic Sales Tax** – the Village has collected \$7,189,023 or 110.60% of the budgeted amount that shows an increase of \$689,023 from budget to actual in FY2019 due to companies increasing their sales in FY2019. This revenue is based on the dollar amount of purchased tangible merchandise within the Village.
- **Municipal Automobile Rental Tax** – the Village has collected \$14,618 or 132.89% of the budgeted amount which shows an increase of \$3,618 from budget to actual in FY2019. This revenue is based on the dollar amount of taxes on the rental price of automobiles rented under lease terms of one year or less.
- **Home Rule Sales Tax** – the Village has collected \$4,753,609 or 113.18% of the budgeted amount that shows an increase of \$553,609 from budget to actual in FY2019. Due to companies increasing their sales in FY2019. This tax is not assessed on food, prescription medication, and registered/titled property purchases (i.e. vehicle). It is often less than the local share of the basic sales tax.
- **Hotel and Motel Tax** - the Village has collected \$46,920 or 105.44% of the budgeted amount that shows an increase of \$2,420 from budget to actual in FY2019. This revenue is based on the dollar amount of taxes upon the use and privilege of renting and leasing or letting of rooms in a hotel or motel at a rate of 3% of the gross receipts.
- **Use Tax** – the Village has collected \$1,281,271 or 128.13% of the budgeted amount that shows an increase of \$281,271 from budget to actual in FY2019. This revenue is based on purchases made outside one’s state of residence on taxable items that will be used, stored or consumed in one’s state of residence and on which no tax was collected in the state of purchase.
- **Food and Beverage Tax** – the Village has collected \$1,312,311 or 114.11% of the budgeted amount that shows an increase of \$162,311 from budget to actual in FY2019. This is an imposed tax of 3% upon the purchase of alcoholic liquor, food and beverage at any retail food facility within the Village.
- **State Income Tax** – the Village has collected \$4,041,810 or 117.15% of the budgeted amount shows an increase of \$591,810 from budget to actual in FY2019. This revenue is based on a portion of State Income Tax receipts distributed to the Village on a per-capita basis (population).
- **Real Estate Transfer Tax** –the Village has collected \$436,138 or 113.87% of the budgeted amount that shows an increase of \$53,138 from budget to actual in FY2019. This is an imposed tax of \$1.50 for each \$500 on the transfer of title of real estate property located in the Village, as evidenced by the recordation of a deed.
- **Licenses** – the Village has collected \$415,319 or 107.76% of the budgeted amount that shows an increase of \$29,919 from budget to actual in FY2019. The Business licenses and liquor licenses are being renewed the first and second month of the new year.

- **Permits** – the Village has collected \$298,891 or 119.13% of the budgeted amount that shows an increase of \$47,991 from budget to actual in FY2019. This revenue is based on number of construction and remodeling permits happening within the Village.
- **Fees** – the Village has collected \$2,124,140 or 112.47% of the budgeted amount that shows an increase of \$235,440 from budget to actual in FY2019 due to vehicle impound fees, plan review fees, registration of defaulted mortgage and vacant property (foreclosure fee), and ambulance fees. Revenues included in the total are solid waste, cable franchise fees, ambulance fees, plan review fees and impound fees.
- **Personal Property Tax** – the Village has collected \$101,066 or 129.57% of the budgeted amount that shows an increase of \$23,066 from budget to actual in FY2019. Revenue collected by Illinois Department of Revenue (IDOR) to replace money lost by local governments when their powers to impose personal property taxes were taken away.
- **Fines** – the Village has collected \$1,098,907 or 123.13% of the budgeted amount which that shows an increase of \$206,407 from budget to actual in FY2019. Revenues included in the total are traffic fines, and the adjudication hearing process for Ordinance violations and red-light camera fines.
- **Investment Income** – the Village has collected \$507,010 or 337.89% of the budgeted amount that shows an increase of \$356,960 from budget to actual in FY2019. The increase was due to higher rates of CD's in FY2019.
- **Miscellaneous Revenue** - the Village has collected \$883,758 or 124.26% of the budgeted amount that shows an increase of \$172,564 from budget to actual in FY2019. Revenues included in the total are the State reimbursement program for police training, Sustained Traffic Enforcement Program (STEP) reimbursement, rental income, and reimbursement checks from the Village's risk management company IRMA.

The Village's equalized assessed valuation increased by \$14.2 million, or 2.34%, from \$610.2 million in the 2017 levy year to \$624.4 million in the 2018 levy year. This increase is primarily due to property assessments increases and new construction within the Village.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>Percent Increase (Decrease)</u>
2008	\$789,204,793	\$43,016,772	5.76%
2009	\$810,756,275	\$21,551,482	2.73%
2010	\$743,653,328	(\$67,102,947)	▼ (8.28%)
2011	\$695,936,302	(\$47,717,026)	▼ (6.42%)
2012	\$626,685,617	(\$69,250,685)	▼ (9.95%)
2013	\$542,401,799	(\$84,283,818)	▼ (13.45%)
2014	\$533,303,999	(\$9,097,800)	▼ (1.68%)
2015	\$525,854,318	(\$7,449,681)	▼ (1.40%)
2016	\$585,885,950	\$60,031,632	11.42%
2017	\$610,236,664	\$24,350,714	4.16%
2018	\$624,489,299	\$14,252,635	2.34%

Long-Term Financial Planning and Relevant Financial Policies

The unrestricted, unassigned fund balance of the General Fund continues to exceed 25% of the subsequent year's budgeted expenditures. This policy was established by the Village Board to provide financing for unanticipated expenditures and accommodate shortfalls in revenues. The unrestricted fund balance has increased by \$990,302. The increase was primarily due to revenues coming in at \$2.2 million higher than the projected budget (due to stable economy) combined with a decrease in expenditures. The Village management has been diligently monitoring expenses to ensure that the Village remains stable, providing core services in the most responsible way possible.

<u>Fiscal Year Ended</u>	<u>Unrestricted / Unassigned Fund Balance</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Percent</u>
30-Apr-09	\$7,920,285	\$24,275,288	32.63%
30-Apr-10	\$7,492,166	\$23,554,950	31.80%
30-Apr-11	\$7,831,351	\$25,498,295	30.71%
30-Apr-12	\$7,773,523	\$27,776,277	27.99%
30-Apr-13	\$8,473,882	\$29,754,222	28.45%
30-Apr-14	\$11,611,884	\$29,754,222	39.03%*
31-Dec-14B	\$14,180,226	\$31,687,433	44.75%
31-Dec-15	\$16,326,081	\$32,199,242	50.70%
31-Dec-16	\$19,432,402	\$32,836,381	59.18%
31-Dec-17	\$21,124,648	\$34,630,888	61.00%
31-Dec-18	\$22,115,466	\$36,761,294	60.16%
31-Dec-19	\$23,391,983	\$37,194,003**	62.89%

*Fund balance percent is calculated based on Fiscal Year 2014 budgeted expenditures due to the fiscal year conversion. The Fiscal Year 2014B budgeted expenditures are significantly lower due to a shortened eight-month stub year. **The \$37,194,003 is the amended budget of General Fund for FY2020.

The Village has a “pay-as-you-go” philosophy on financing capital projects. The use of the General Capital Projects Fund, Central Equipment Fund and IT Replacement 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 2019 Budget, the Village enhanced the CIP and included all five years in the budget document.

Major Initiatives

The Village of Hanover Park continues to manage its fiscal operations well and operate cost effectively in Fiscal Year 2019. The Village, with its budgeted full-time staffing of 198, serves its citizens with 5.21 full-time employees per 1,000 in population. Implementation of the Village’s Strategic Plan during the fiscal year 2019 reflects the Village’s continued commitment to its citizens that the Village is a desirable place to live, work, and transact business and includes:

- Staff continued to market the community to attract new development and businesses with the focus on the Village Center and recruiting businesses for key locations. Our commercial vacancy rate dropped from about 22% in 2014 to about 6% in 2019.

- As part of the goal to improve the Village's appearance, the Village purchased the Hanover Square Shopping Center in Fiscal Year 2012. Since then, Village has made major improvements to the exterior and interior of the shopping center with facade improvements, new roof, parking lot, landscaping and "buildout" for several tenants. The Village hired a professional leasing agent to market the vacant spaces and recruit new businesses. The Village is also working with a professional property manager to address continuous and ongoing property maintenance issues. In 2019, the shopping center had about 15,000 square feet remaining to be leased. Please note that Family Dollar closed this location in Jan. 2020. New tenant Briana's Pancake House was recruited and opened in 2019, following significant interior remodeling. Staff and leasing agent continue to market the property for business attraction.
- The Village Center TIF 3 was amended (to include south commuter lots) and extended (by additional 12 years)
- Village Center Streetscape Improvement design was finalized - there was an open house held in September for public feedback. The Village Center is being readied for development for our future downtown. Overhead wires are being buried and streetscape improvements will be installed in Spring/Summer 2020. A new plaza and park are part of a well-designed public open space system around the Metra Station.
- The new Verandah senior housing development, located at 900 Irving Park Road, has completed the first 3 buildings with 14 units. Phase 2 has been approved for the construction of the remaining 41 townhomes. A Redevelopment Agreement was approved for a 215-unit senior housing development project in 2017 for 55 townhomes, 80 condominiums, 68 assisted living units, 12 memory care units, a 10,000 square foot club house, communal dining and fitness facilities, ancillary medical offices, and a one-acre commercial site for future commercial retail/restaurants. Condos and Assisted Living units will be the last phase.
- Menards relocated and opened their new store on Barrington Road in 2008 and undertook a major expansion in 2019. The Board approved a major expansion to the lumber warehouse building, improved landscaping, and a public amenity at Irving Park Rd. and Kingsbury Dr. The new and expanded Menards warehouse will be open Spring 2020.
- The Village sold vacant land at 2020 Lake Street and the new EverClean Carwash opened in 2019. The carwash uses recycled water, green technology, and has monthly membership.
- Habitat for Humanity purchased land adjacent to Court J, off of Greenbrook Blvd. and was approved for construction of 27 new townhomes, of which the first two are now complete.
- A new commercial and industrial development is under review for the vacant 23-acres at the NW corner of Lake Street and Gary Ave.
- Suburban Medical Group completed the renovation at 1900 Army Trail Road for medical use and is now functional.
- IDOT and the Tollway held public meetings in August and October to get feedback regarding extending IL-390 ramp westward, from Lake Street to County Farm Road to address local traffic issues to help develop our future downtown.
- Hanover Park added several new restaurants true to its tagline of being a Global Village! New restaurants in 2019 include Yummy Station (Asian cuisine), Neehee's (Indian), Ali Baba (Mediterranean) and Briana's Pancake House (American brunch).

- Economic Development: Several events were held for business retention, recruitment and growth, including Business After Hours, the Local Business Expo, Annual Small Business Forum, Business Education Seminar on Technology (BEST), and two Business Corridor Meetings (Mallard Lake and Turnberry Lakes).

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hanover Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2018. This was the 29th consecutive fiscal year that the Village has received this prestigious award. To be awarded a Certificate of Achievement for Excellence in Financial Reporting, the Village must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be once again submitting it to the GFOA for consideration.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2019 budget document. This was the 27th consecutive year the Village received this award. 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 tool.

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 appreciation to each member of the Finance Department for contributions made in the timely preparation of this document.

In addition, I would like to thank the Village President, the Village Board of Trustees, Department Heads and Village staff for their assistance in planning and conducting the fiscal affairs of the Village in a responsible manner.

Respectfully submitted,



Juliana Maller
Village Manager

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Hanover Square were not audited in accordance with *Government Auditing Standards*. 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements, GASB Statement No. 84, *Fiduciary Activities*, which changed the reporting of certain fiduciary funds, and GASB Statement No. 90, *Majority Equity Interest, and amendment of GASB Statements No.14 and No.61*, which established standards for reporting a majority equity interest in an organization. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 23, 2020

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon date June 23, 2020. The financial statements of Hanover Square, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Hanover Square.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 23, 2020

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.

The Village of Hanover Park 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 activities, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows on December 31, 2019 by \$90,763,866 (net position). The unrestricted net position has a negative balance of \$3,732,956 due to the Implementation of the following; (1) GASB Statement No. 68, requires governments to provide defined benefit pensions and to recognize their long-term obligation for pension benefits as a liability in order to comprehensively and comparably measure the annual cost of pension benefits. (2) GASB Statement No. 75, requires governments to provide defined benefit Other Postemployment Benefits (OPEB) to recognize their long-term obligation for OPEB as a liability to more comprehensively and comparably measure the annual cost of OPEB benefits.
- The Village's Net Position as of January 1st was RESTATED total adjustment of \$115,657 called "Prior period adjustment" with the new net position January 1st of \$80,537,801, compared to \$80,653,458 Net Position, before the restatement. The reason for the "Prior period adjustment" is to adjust the implementation of the new capital asset software module that resulted in corrections to accumulation of depreciation amount. Please see Note 16 in the notes to financial statements for more details on the restatement.
- During the year, government-wide revenues before transfers for the governmental and business-type activities totaled \$61,695,700 while expenses totaled \$51,469,635 resulting in the increase in net position of 10,226,065.
- The Village's combined governmental funds ending fund balance increased by \$3,359,919 to \$35,760,989 as of December 31, 2019.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$23,391,983 or 62.89% of General Fund Fiscal Year 2020. The annualized budgeted expenditures and other financing uses totaled \$37,194,003.
- The Village's total long-term debt including pension obligation (GASB 68 & GASB 75) and compensated absences liability increased by \$8,131,706 to \$77,365,908 compared to FY2018 report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village of Hanover Park's basic financial statements. The Village's basic financial statements 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 the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to serve as "the 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 the financial position of the Village is improving.

The Statement of Activities presents information showing how the Village's net position changed during the most recent period and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the changes that 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 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 most 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 government-wide financial statements can be found on pages 6-9 of the report.

The Village includes one separate legal entity in its report. The Hanover Square LLC is presented as a discretely presented component unit. Although legally separate, this “component unit” is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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 the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

The Village maintains 15 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Motor Fuel Tax and Tax Increment Financing #3, 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 10-13 of this report.

Proprietary Funds

The Village maintains two distinct 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, and Commuter Parking Lot activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its vehicle replacement and information technology program.

Internal Service Funds predominantly serve governmental rather than business-type functions and are included with governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Fund is considered a major fund of the Village and is presented in a separate column in the Fund Financial Statements. The Commuter Parking Lot Fund is the Village's non-major enterprise fund. The Internal Service Fund is shown as a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the Commuter Parking Lot and the Internal Service Fund is presented elsewhere in the report. The basic proprietary fund financial statements can be found on pages 14-18 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 19-20 of this report.

Notes to the Financial Statements

The notes section provides 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 21-77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- 1) *Net Results of Activities* – which will impact (increase/decrease) current assets and unrestricted net position.
- 2) *Borrowing for Capital* – which will increase current assets and long-term debt outstanding.
- 3) *Spending Borrowed Proceeds on New Capital* – which will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt, which will not change the investment in capital assets, net of related debt total.

Village of Hanover Park, Illinois
Management's Discussion and Analysis
December 31, 2019

- 4) *Spending Nonborrowed Current Assets on New Capital* – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets, net of related debt.
- 5) *Principal Payment on Debt* – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets, net of related debt.
- 6) *Reduction of Capital Assets through Depreciation* – which will reduce capital assets and reduce investment in capital assets, net of related debt.

The following table shows the statement of net position of the Village of Hanover Park, December 31, 2019 compared to December 31, 2018:

Village of Hanover Park						
Statement of Net Position as of December 31, 2019						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 66,012,089	\$ 56,794,684	\$ 13,522,040	\$ 13,023,002	\$ 79,534,129	\$ 69,817,686
Capital Assets	74,159,219	71,904,115	23,624,289	23,905,395	97,783,508	95,809,510
Total Assets	140,171,308	128,698,799	37,146,329	36,928,397	177,317,637	165,627,196
Deferred Outflows						
Pension Obligation	11,562,640	9,486,237	2,198,766	361,664	13,761,406	9,847,901
Total Assets and Deferred	151,733,948	138,185,036	39,345,095	37,290,061	191,079,043	175,475,097
Outflows of Resources						
Liabilities						
Current Liabilities	5,907,760	4,890,778	946,048	1,090,936	6,853,808	5,981,714
Long-Term Liabilities	72,849,520	67,473,301	4,516,388	1,760,901	77,365,908	69,234,202
Total Liabilities	78,757,280	72,364,079	5,462,436	2,851,837	84,219,716	75,215,916
Deferred Inflows						
Unavailable Property Taxes	13,670,334	13,664,261	-	-	13,670,334	13,664,261
Unavailable Pension items	1,964,070	4,339,011	461,057	1,602,451	2,425,127	5,941,462
Total Liabilities and	94,391,684	90,367,351	5,923,493	4,454,288	100,315,177	94,821,639
Deferred Inflows						
Net Position						
Net Investment in						
Capital Assets	59,646,563	56,319,828	23,624,289	23,868,701	83,270,852	80,188,529
Restricted	11,225,970	9,354,849	-	-	11,225,970	9,354,849
Unrestricted	(13,530,269)	(17,856,992)	9,797,313	8,967,072	(3,732,956)	(8,889,920)
Total Net Position	\$ 57,342,264	\$ 47,817,685	\$ 33,421,602	\$ 32,835,773	\$ 90,763,866	\$ 80,653,458

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 \$90,763,866 as of December 31, 2019. The largest portion of the Village's net position reflects its investment in capital assets of \$83,270,852 or 91.74%. This includes land, buildings, infrastructure, and equipment less any related debt. Also used are debts to acquire those assets that are still outstanding, the implementation of GASB No. 68 to record the net pension liability and the implementation of GASB No. 75 to record the OPEB liability. 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 of \$11,225,970 or 12.37% represents resources that are subject to external restrictions on how they may be used. The negative balance of unrestricted net position \$3,732,956 or 4.11% are due to implementation of GASB No. 68 recording of net pension obligation (such as Police, Fire and IMRF pension) and GASB No. 75 recording of OPEB liability.

The net position of governmental activities totaled \$57,342,264. It showed an increase of 19.79% from Fiscal Year 2018 after the "Prior period adjustment" (net pension restated from \$47,817,685 to \$47,868,910).

The net position of business-type activities totaled \$33,421,602. It showed an increase of 2.30% from Fiscal Year 2018 after the "Prior period adjustment" (net pension restated from \$32,835,773 to \$32,668,891).

The unrestricted net position of \$9,797,313 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its commuter parking programs. For more detailed information see the Statement of Net Position on pages 6-7.

Changes in Net Position

Normal Impacts

There are eight basic (normal) impacts on revenues and expenses as reflected below:

Revenues:

- 1) *Economic Condition* – which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and levels of consumption.
- 2) *Increase/Decrease in Village-Approved Rates* – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, impact fees, building fees, home rule sales tax, etc.).

- 3) *Changing Patterns in Intergovernmental and Grant Revenue (both Recurring and Nonrecurring)* – certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically, while nonrecurring (or one-time) grants are less predictable and often distorting due to their impact on year-to-year comparisons.
- 4) *Market Impacts on Investment Income* – the Village's investment policy is managed using a similar average maturity to most governments. Market conditions may cause investment income.

Expenses:

- 5) *Introduction of New Programs* – within the functional expense categories (general government, public works, public safety, etc.), individual programs may be added or deleted to meet changing community needs.
- 6) *Change in Authorized Personnel* – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Personnel costs (salary and related benefits).
- 7) *Salary Increases (Annual Adjustment and Merit)* – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.
- 8) *Inflation* – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

Village of Hanover Park, Illinois
Management's Discussion and Analysis
December 31, 2019

Following is a table that summarizes the changes in net position of the Village of Hanover Park as of December 31, 2019 compared to December 31, 2018:

Village of Hanover Park						
Changes in Net Position as of December 31, 2019						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 8,225,336	\$ 4,269,843	\$ 10,573,726	\$ 10,815,071	\$ 18,799,062	\$ 15,084,914
Operating Grants	1,831,037	1,946,078	-	-	1,831,037	1,946,078
Capital Grants	-	-	-	-	-	-
General Revenues						
Property Taxes	16,811,936	15,673,297	-	-	16,811,936	15,673,297
Sales & Local Use Tax	13,223,903	12,354,638	-	-	13,223,903	12,354,638
Utility Taxes	1,854,237	1,997,184	-	-	1,854,237	1,997,184
Other Taxes	2,280,416	2,185,769	-	-	2,280,416	2,185,769
Intergovernmental	4,041,810	3,636,525	-	-	4,041,810	3,636,525
Other Revenue	1,021,532	877,364	1,831,767	1,753,352	2,853,299	2,630,716
Total Revenues	49,290,207	42,940,698	12,405,493	12,568,423	61,695,700	55,509,121
Expenses						
General Government	5,296,307	4,502,681	-	-	5,296,307	4,502,681
Public Works	5,533,768	5,015,307	-	-	5,533,768	5,015,307
Public Safety	23,384,681	23,825,108	-	-	23,384,681	23,825,108
Community Development	4,082,104	4,193,206	-	-	4,082,104	4,193,206
Highways and Streets	700,207	591,102	-	-	700,207	591,102
Interest	819,786	858,826	-	-	819,786	858,826
Water and Sewer	-	-	11,262,405	11,535,226	11,262,405	11,535,226
Commuter Parking Lot	-	-	390,377	336,950	390,377	336,950
Total Expenses	39,816,853	38,986,230	11,652,782	11,872,176	51,469,635	50,858,406
Change in Net Position						
before Transfers	9,473,354	3,954,468	752,711	696,247	10,226,065	4,650,715
Net Transfers	-	-	-	-	-	-
Change in Net Position	9,473,354	3,954,468	752,711	696,247	10,226,065	4,650,715
Net Position, January 1	47,817,685	47,186,110	32,835,773	32,559,849	80,653,458	79,745,959
Prior Period Adjustment	51,225	497,592	(166,882)	400,358	(115,657)	897,950
Change in Accounting Principle	-	(3,820,485)	-	(820,681)	-	(4,641,166)
Net Position, January 1 RESTATED	47,868,910	43,863,217	32,668,891	32,139,526	80,537,801	76,002,743
Net Position, December 31	\$ 57,342,264	\$ 47,817,685	\$ 33,421,602	\$ 32,835,773	\$ 90,763,866	\$ 80,653,458

Village of Hanover Park, Illinois
Management's Discussion and Analysis
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Net position of the Village's governmental activities increased by 19.79% or \$9,473,354 (\$57,342,264 in 2019 compared to \$47,868,910 in 2018 restated). Net position of business-type activities increased by 2.30% or \$752,711 (\$33,421,602 in 2019 compared to \$32,668,891 in 2017 restated). Key elements contributing to this net change are as follows:

Prior Period Adjustment

Net position of business-type activities has been restated to adjust for the Village implementing a new capital asset software module that resulted in corrections to the accumulation depreciation in the amount of \$166,882.

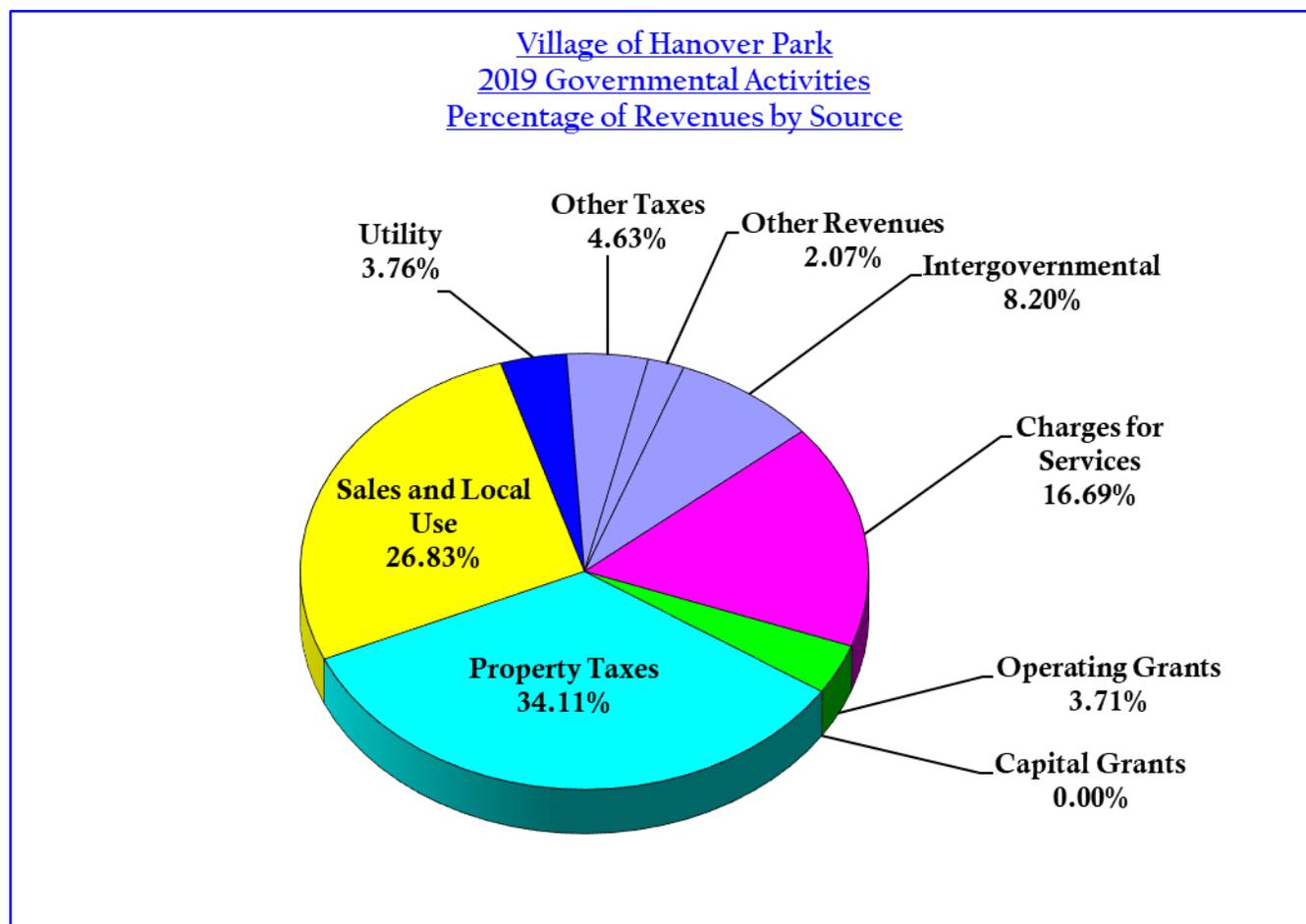
Net position of governmental activities has been restated to adjust for the Village implementing a new capital asset software module that resulted in corrections to the accumulation depreciation in the amount of \$51,225.

See Note 16 in the notes to financial statements for more details on the restatement.

Governmental Activities

Revenues

Revenues for governmental activities totaled \$49,290,207 and \$42,940,698 for 31st December 2019 and 31st December 2018 respectively. This is an increase of \$6,349,509.



Some key changes during the year for the governmental activity revenues are described below:

- Charges for services revenues increased by \$3,955,493 compared to prior year due to traffic and ordinance violations steady stream of collection and implementation of GASB 90 to record the Equity Interest in Hanover Square LLC.
- Property taxes revenues increased by \$1,138,639 compared to prior year due to one payment on TIF fund for a prior tax levy collected in FY2019, debt obligation bond schedule levied and Special Service Area to fund the trash and snow removal expenses.
- Sales and Local Use Tax increased by \$869,265 compared to prior year due to a general increase in retail sales and sales generated by new retailers located in the Village.

Village of Hanover Park, Illinois
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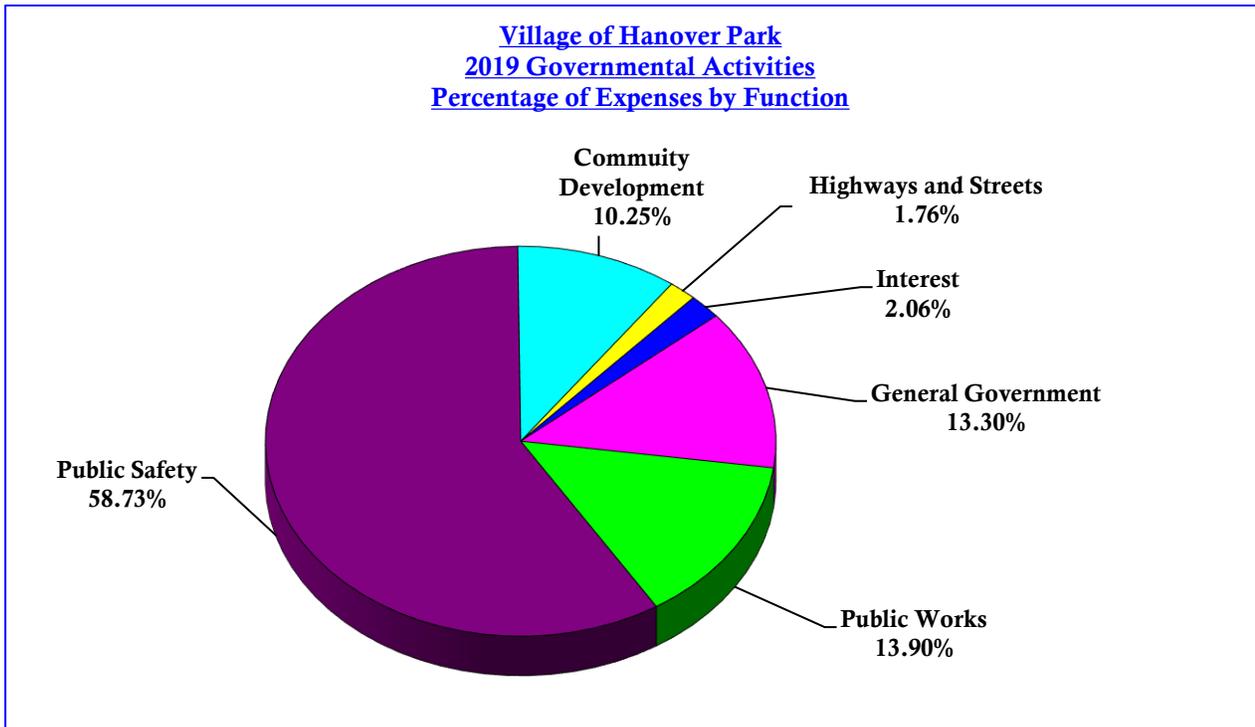
- Utility Taxes decreased by \$142,947 compared to prior year due to telecommunication tax continuing to decline due to customers changing to data plans for cell service, which are not taxable.
- Other Taxes increased by \$94,647 compared to prior year due to gasoline tax, video gaming taxes and foreign fire insurance tax.
- Intergovernmental revenues increased by \$405,285 compared to prior year due to amended five percent (5%) reduction imposed by the State in FY2018 (July 2018). Originally the State imposed a 10% reduction in FY2017 of State Income Tax to help balance their budget deficit, then reduce to five percent (5%) in FY2018.

<u>Village of Hanover Park</u>				
<u>Changes in Select Governmental Activities Revenues</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2019	2018		
Property Tax	\$ 16,811,936	\$ 15,673,297	\$ 1,138,639	7.26%
Sales and Use Tax	13,223,903	12,354,638	869,265	7.04%
Charges for Services	8,225,336	4,269,843	3,955,493	92.64%
Utility Taxes	1,854,237	1,997,184	(142,947)	-7.16%
Other Taxes	2,280,416	2,185,769	94,647	4.33%
Intergovernmental	4,041,810	3,636,525	405,285	11.14%
Other Revenues	1,021,532	877,364	144,168	16.43%
Total Revenues	<u>\$ 47,459,170</u>	<u>\$ 40,994,620</u>	<u>\$ 6,464,550</u>	<u>15.77%</u>

Expenses

For the year ended December 31, 2019, governmental expenses totaled \$39,816,853. There is an increase of \$830,623 or 2.13% from the 2018 expenses of \$38,986,230. This is due to continued increase in pension contribution, and personnel costs, an increase in street program resurfacing and reconstruction and the scheduled purchase of equipment. Village management is closely monitoring expenditures to make sure we are within budget.

<u>Village of Hanover Park</u>				
<u>Changes in Select Governmental Activities Expenditures</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2019	2018		
General Government	\$ 5,296,307	\$ 4,502,681	\$ 793,626	17.63%
Public Works	5,533,768	5,015,307	518,461	10.34%
Public Safety	23,384,681	23,825,108	(440,427)	-1.85%
Community Development	4,082,104	4,193,206	(111,102)	-2.65%
Highways and Streets	700,207	591,102	109,105	18.46%
Interest	819,786	858,826	(39,040)	-4.55%
Total Expenditures	<u>\$ 39,816,853</u>	<u>\$ 38,986,230</u>	<u>\$ 830,623</u>	<u>2.13%</u>



Business-Type Activities

Business-type activities posted total revenues of \$12,405,493 while the cost of all business-type activities totaled \$11,652,782. There is a surplus of \$752,711. In 2018, revenues of \$12,568,423 and expenses of \$11,872,176 showed a surplus of \$696,247.

Prior Period Adjustment

Net position of business-type activities has been restated to adjust for the Village implementing a new capital asset software module that resulted in corrections to the accumulation depreciation in the amount of \$166,882.

See Note 16 in the notes to financial statements for more details on the restatement.

Revenues

For the fiscal year ending December 31, 2019, revenues for the business-type activities totaled \$12,405,493. It shows a decrease of \$162,930, or 1.30% from FY2018.

Waterworks & Sewerage decreased by \$133,249 or 1.10% compared to prior year due to water consumption less than last year, attributed to the mild weather we had in FY2019.

Commuter Parking decreased by \$29,681 or 6.75% compared to prior year due to decrease in commuter riders in FY2019. The rates are as follows: \$1.75 daily parking fee; \$35.00 monthly parking fee.

Village of Hanover Park, Illinois
Management's Discussion and Analysis
December 31, 2019

Village of Hanover Park
Business-Type Activities Operating Revenues

	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2019	2018		
Waterworks & Sewerage	\$ 11,995,670	\$ 12,128,919	\$ (133,249)	-1.10%
Municipal Railroad Parking Lot	409,823	439,504	(29,681)	-6.75%
Total Business-Type Activities	\$ 12,405,493	\$ 12,568,423	\$ (162,930)	-1.30%

Expenses

Expenses for the year ending December 31, 2019 totaled \$11,652,782. It shows a decrease of \$219,394 or 1.85% over the FY2018 expenses of \$11,872,176. The decrease is due to the prior period adjustment to capital asset depreciation entries.

Village of Hanover Park
Business-Type Activities Operating Expenditures

	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2019	2018		
Waterworks & Sewerage	\$ 11,262,405	\$ 11,535,226	\$ (272,821)	-2.37%
Municipal Railroad Parking Lot	390,377	336,950	53,427	15.86%
Total Business-Type Activities	\$ 11,652,782	\$ 11,872,176	\$ (219,394)	-1.85%

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. 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.

The Village's governmental funds reported combined ending fund balances of \$35,760,989 which is \$3,359,919 or 10.37%, higher than last year's total of \$32,401,070. Of the \$35,760,989 total, \$23,303,581 or approximately 65.16% of the fund balance constitutes unassigned fund balance.

Village of Hanover Park, Illinois
Management's Discussion and Analysis
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General Fund: The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the General Fund increased by \$1,175,649 to \$23,584,337 of which \$23,391,983 is the unrestricted amount. The increase is due primarily to higher than expected sales-related taxes offset by lower than expected expenditures, due to the Village management's approach to closely supervising expenses in response to projected decrease in several revenue sources and the uncertainty of State of Illinois budget crisis. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is available for use as determined by the Village Board. Below is a chart showing a history of the General Fund unrestricted/unassigned fund balance.

<u>General Fund</u>				
<u>Comparison of the Results of Operations and the</u>				
<u>Unrestricted / Unassigned Fund Balance Calendar Year 2016 - 2019</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>
Revenues and Transfers	\$34,291,821	\$34,573,362	\$36,512,715	\$38,131,184
Expenditures and Transfers	31,098,260	32,938,294	35,553,156	36,955,535
Results of Operations	<u>3,193,561</u>	<u>1,635,068</u>	<u>959,559</u>	<u>1,175,649</u>
Fund Balance - Beginning	<u>\$16,620,500</u>	<u>\$19,814,061</u>	<u>\$21,449,129</u>	<u>\$22,408,688</u>
Fund Balance - Ending	<u>\$19,814,061</u>	<u>\$21,449,129</u>	<u>\$22,408,688</u>	<u>\$23,584,337</u>
Reserved/Nonspendable and Restricted	381,659	324,481	293,222	192,354
Unrestricted/Unassigned	<u>19,432,402</u>	<u>21,124,648</u>	<u>22,115,466</u>	<u>23,391,983</u>
Total Fund Balance	<u>\$19,814,061</u>	<u>\$21,449,129</u>	<u>\$22,408,688</u>	<u>\$23,584,337</u>
Unrestricted/Unassigned Fund Balance as a Percentage of Budgeted Expenditures*	59.18%	61.00%	60.16%	62.89%

*2019 Unrestricted/Unassigned Fund Balance % of budget expenditures for FY2020 of \$37,194,003

Other Major Funds

Motor Fuel Fund: the state motor fuel tax is based on the consumption of motor fuel. The State of Illinois distributes the monies to local taxing districts based on a statutory formula. Motor Fuel Fund reported an increase in fund balance for the year of \$75,678. This is due to the increase of State's motor fuel tax by \$0.19 cents per gallon effective July 1, 2019.

Tax Increment Financing # 3: is used to account for the incremental property tax revenue that is generated through the growth of the assessed valuation of the defined TIF#3 area which includes The Church Street Station (Townhouses and Commercial), The Animal Care Building, The Claremont (Nursing Facility) and the Hanover Square shopping center. As of December 31, 2019, the Tax Increment Financing # 3 reported revenues more than expenditures by \$1,138,700.

Village of Hanover Park, Illinois
Management's Discussion and Analysis
December 31, 2019

Proprietary Funds

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

The Village reports the Water and Sewer as a major proprietary fund. The Village reports one non-major proprietary fund, the Commuter Parking Lot Fund. Also, the Water and Sewer Fund accounts for all the operations of the municipal water and sewerage system. The Village sells water to all residential municipal customers of Hanover Park (Cook and DuPage counties) at a rate of \$9.35 per 1,000 gallons and a sewer rate of \$2.07 per 1,000 gallons for Cook County residents and \$5.57 per 1,000 gallons for DuPage County residents. The rates are intended to finance the operations of the water and sewer system, including labor cost, supplies, repair and replacement and required infrastructure maintenance. The Water and Sewer Fund actual revenues exceeded actual expenditures in Fiscal Year 2019. Total operating revenues were \$11,995,670 versus \$11,262,405 in operating expenditures. As of December 31, 2019, the overall net position in this fund is increased by \$733,265.

<u>Village of Hanover Park</u>				
<u>Waterworks and Sewerage Fund Revenues</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2019	2018		
Water Sales	\$ 6,727,404	\$ 6,946,824	\$ (219,420)	-3.16%
Sewer Sales	2,641,083	2,701,787	(60,704)	-2.25%
Leachate Treatment	395,172	298,753	96,419	32.27%
Interest	248,126	173,549	74,577	42.97%
Other Revenues	1,983,885	2,008,006	(24,121)	-1.20%
Total	\$ 11,995,670	\$ 12,128,919	\$ (133,249)	-1.10%

The Commuter Parking Lot Fund actual revenues exceeded actual expenditures in Fiscal Year 2019. Total operating revenues were \$409,823 versus \$390,377 in operating expenditures. The overall net position in this fund as of December 31, 2019 is increased by \$19,446.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2019, the Village Board approved a budget amendment to increase the tax incentive program by \$788,700. The increase is due to the Insight incentive agreement where sales tax was anticipated to increase slightly on the revenue budget projection but not accurately budgeted on the expenditure side.

General Fund actual revenues (including other financing sources) for the year totaled \$38,131,184 compared to budgeted revenues of \$34,637,272. It shows a difference of \$3,493,912. This is due to property taxes, utility taxes, general sales and use taxes, prepared food and beverage tax that exceeded budget projection by \$1,896,286. Fines and forfeits that went over budget by \$206,406. Licenses, Permits, Fees, State Income Tax, Charges for Services were \$918,516 more than the budgeted amount. Investment Income and Other miscellaneous revenues were \$472,704 indicating that the local economy is improving.

The General Fund actual expenditures (including other financing uses) for the year totaled \$36,955,535. It is \$728,337 or 1.97% lower than final budgeted expenditures of \$37,683,872. The fire department exceeded their budgeted amount due to personnel services such as salaries, over-time (vacancies created by extended injury leave), insurance and pension cost. A budget amendment was done for Community Development due to a redevelopment agreement payment exceeding the budgeted amount not accurately budgeted in FY2019. Staff has been diligently monitoring expenses to ensure that the Village remains stable, while still providing core services in the most responsible way. Towards the end of the period, when revenues began trending higher than the budgeted amount, staff remained fiscally responsible thereby resulting in an increase in the Village's General Fund unassigned fund balance.

<u>Village of Hanover Park</u>				
<u>General Fund Budgetary Highlights</u>				
	2019 Original Budget	2019 Final Budget	Actual	
			2019	2018
Revenues	\$34,570,744	\$34,570,744	\$38,131,184	\$36,512,715
Expenditures	33,655,830	34,514,530	33,786,193	33,362,351
Excess of Revenues over Expenditures	914,914	56,214	4,344,991	3,150,364
Other Financing Sources	66,528	66,528	-	-
Other Financing (Uses)	(3,035,464)	(3,169,342)	(3,169,342)	(2,190,805)
Net Change in Fund Balance	(2,054,022)	(3,046,600)	\$1,175,649	\$959,559

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2019 was \$97,783,508 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvement other than buildings, machinery, equipment, and vehicles, water and sewer underground system improvements, and other infrastructure improvements

This year's major additions included:

	<u>Additions</u>
Land	\$ 79,891
Buildings	70,755
Machinery, equipment and vehicles	1,142,994
Improvement other than Buildings	187,121
Infrastructures	1,827,438
Underground systems	295,014
Total	\$ 3,603,213

Village of Hanover Park Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Primary Government Total	
	2019	2018	2019	2018	2019	2018
Land, ROW, Permanent Easements	\$ 29,626,642	\$ 29,546,751	\$ 2,254,634	\$ 2,254,634	\$ 31,881,276	\$ 31,801,385
Construction in progress	2,020,044	263,706	381,328	-	2,401,372	263,706
Buildings	22,300,821	22,953,869	5,870,622	6,121,266	28,171,443	29,075,135
Machinery, Equipment and Vehicles	8,354,402	8,564,948	887,739	888,898	9,242,141	9,453,846
Improvement other than Buildings	1,584,551	1,649,436	4,705,156	4,909,230	6,289,707	6,558,666
Infrastructure	10,272,759	8,925,405	-	-	10,272,759	8,925,405
Underground systems	-	-	9,524,810	9,731,367	9,524,810	9,731,367
Total	\$ 74,159,219	\$ 71,904,115	\$ 23,624,289	\$ 23,905,395	\$ 97,783,508	\$ 95,809,510

Additional information on the Village's capital assets can be found in Note 5 on pages 34-35 of this report.

Long-Term Debt

The Village currently has three general obligation bond series and two Illinois EPA loan series outstanding. Two of the IEPA loan's (1997) retired in FY2017 and IEPA loan (2000) retired in FY2019. The Village's total outstanding debt excluding the net pension liability IMRF, OPEB, and compensated absences decreased by \$1,106,694 or 7.08% compared to the prior fiscal year. The key factor in this decrease was due to the scheduled principal payments. No additional debt was incurred during Fiscal Year 2019.

The Village, under its home rule authority does not have a legal debt limit. The Village has a bond rating of AA from Standard & Poor which was last affirmed in October 2011. Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements on pages 38-39.

Village of Hanover Park Outstanding Debt General Obligation Bonds, Revenue Bonds, Loans, and Notes						
	Governmental Activities		Business-Type Activities		Primary Government Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 14,535,000	\$ 15,605,000	\$ -	\$ -	\$ 14,535,000	\$ 15,605,000
IEPA	-	-	-	36,694	-	36,694
Total	\$ 14,535,000	\$ 15,605,000	\$ -	\$ 36,694	\$ 14,535,000	\$ 15,641,694

ECONOMIC FACTORS AND FUTURE PROSPECTS

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2020 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. The current economic conditions continue to show moderate growth in some areas while also gaining stability in areas such as permit fee revenue. Recent trending has shown moderate growth with general and home rule sales tax over the last few years with the growth trend expected to continue.

The Village passed a balanced budget for FY2020 with zero percent (0.00%) 2019 tax levy increase (4th year in a row). There is also no water and sewer rate increase (5th year in a row). The Village continues to provide an excellent level of service, promoting modern technology and consistently taking advantage of grant funding opportunities.

The Village goals remain to minimize the financial burden on Hanover Park taxpayers and to continue identifying cost-cutting strategies and opportunities, responsibly utilize Village reserves when necessary and proactively structure the Village in a way that will maximize the level of service that can be provided with the current level of resources.

Beginning around March 2020, the Novel Coronavirus known as COVID-19 has been declared a global pandemic as it continues to spread rapidly. The economic impacts of COVID-19 are already shaping up to be significant across the country. Not only workers and businesses are affected but also the whole municipality (local government) that rely on a healthy economy for their revenues. As the crisis unfolds, the impact on cities and villages bottom line will be driven not only by overall economic conditions but specifically the parts of economy where revenue is generated namely: retail sales tax, income, and wages and property taxes. The Village projects a revenue loss of \$5M on sales taxes, income taxes, property taxes and other charges for services. Due to this pandemic, the Village continues to make COVID-19 related expenditures that were not part of FY2020 budget. When the Village Board reviewed the FY2020 budget, it was decided collectively to suspend some of the capital project expenditures, the funding for vehicle replacement fund, take the deferred employer social security contribution until December 31, 2020, and cancel all the conferences, travel and special events. We do not know yet if the projected loss of revenue is accurate since we haven't experienced this kind of worldwide pandemic and there is nothing to compared it to. Because revenues have yet to be posted (4 months delay) we will not see the actual impact of the COVID-19 until the 3rd quarter of 2020. For preparation of FY2021 budget, the proposed budget will reflect the actual impact of COVID-19

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit Hanover Square
ASSETS				
Cash and cash equivalents	\$ 42,202,808	\$ 11,492,746	\$ 53,695,554	\$ 800,402
Receivables (net of allowances for uncollectibles)				
Property taxes	13,670,334	-	13,670,334	-
Accounts	552,304	1,211,598	1,763,902	-
Accrued interest	45,086	21,032	66,118	-
Other	-	786,738	786,738	280,353
Prepaid expenses	41,722	9,926	51,648	54,749
Inventory	16,884	-	16,884	-
Due from other governments	5,554,290	-	5,554,290	-
Net pension asset	144,869	-	144,869	-
Equity interest	3,783,792	-	3,783,792	-
Capital assets				
Nondepreciable	31,646,686	2,635,962	34,282,648	1,017,088
Depreciable (net of accumulated depreciation)	42,512,533	20,988,327	63,500,860	6,331,677
Total assets	140,171,308	37,146,329	177,317,637	8,484,269
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF and SLEP	3,114,913	1,541,965	4,656,878	-
Pension items - Police Pension	4,490,584	-	4,490,584	-
Pension items - Firefighters' Pension	2,126,714	-	2,126,714	-
OPEB items	1,830,429	314,055	2,144,484	-
Asset retirement obligation items	-	342,746	342,746	-
Total deferred outflows of resources	11,562,640	2,198,766	13,761,406	-
Total assets and deferred outflows of resources	151,733,948	39,345,095	191,079,043	8,484,269
LIABILITIES				
Accounts payable	3,669,924	718,422	4,388,346	502,855
Retainage payable	16,101	37,545	53,646	-
Accrued payroll	527,051	85,606	612,657	-
Accrued interest	66,024	-	66,024	-
Deposits	-	13,300	13,300	-
Unearned revenue	209,966	89,075	299,041	-
Due to other governments	425,533	-	425,533	-
Due to/from fiduciary funds	26,705	-	26,705	-
Other payables	966,456	2,100	968,556	-
Long-term liabilities				
Due within one year	1,384,999	53,154	1,438,153	137,041
Due in more than one year	71,464,521	4,463,234	75,927,755	4,060,581
Total liabilities	78,757,280	5,462,436	84,219,716	4,700,477
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	13,670,334	-	13,670,334	-
Pension items - IMRF and SLEP	784,949	385,705	1,170,654	-
OPEB items	399,523	75,352	474,875	-
Pension items - Police Pension	629,568	-	629,568	-
Pension items - Firefighters' Pension	150,030	-	150,030	-
Total deferred inflows of resources	15,634,404	461,057	16,095,461	-
Total liabilities and deferred inflows of resources	94,391,684	5,923,493	100,315,177	4,700,477

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit Hanover Square
NET POSITION				
Net investment in capital assets	\$ 59,646,563	\$ 23,624,289	\$ 83,270,852	\$ -
Restricted for				
Public safety	400,625	-	400,625	-
Highways and streets	1,777,650	-	1,777,650	-
Debt service	477,033	-	477,033	-
Community development	8,269,686	-	8,269,686	-
Special service areas	300,976	-	300,976	-
Unrestricted	(13,530,269)	9,797,313	(3,732,956)	3,783,792
TOTAL NET POSITION	\$ 57,342,264	\$ 33,421,602	\$ 90,763,866	\$ 3,783,792

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,296,307	\$ 1,478,753	\$ 20,510	\$ -
Community development	4,082,104	3,849,912	-	-
Public safety	23,384,681	2,561,575	76,055	-
Public works	5,533,768	335,096	16,425	-
Highways and streets	700,207	-	1,483,286	-
Interest	819,786	-	234,761	-
Total governmental activities	39,816,853	8,225,336	1,831,037	-
Business-Type Activities				
Water and sewer	11,262,405	10,172,855	-	-
Parking	390,377	400,871	-	-
Total business-type activities	11,652,782	10,573,726	-	-
TOTAL PRIMARY GOVERNMENT	\$ 51,469,635	\$ 18,799,062	\$ 1,831,037	\$ -
Component unit				
Hanover Square	\$ 1,029,861	\$ 1,155,779	\$ -	\$ -

	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hanover Square
	\$ (3,797,044)	\$ -	\$ (3,797,044)	\$ -
	(232,192)	-	(232,192)	-
	(20,747,051)	-	(20,747,051)	-
	(5,182,247)	-	(5,182,247)	-
	783,079	-	783,079	-
	(585,025)	-	(585,025)	-
	(29,760,480)	-	(29,760,480)	-
	-	(1,089,550)	(1,089,550)	-
	-	10,494	10,494	-
	-	(1,079,056)	(1,079,056)	-
	(29,760,480)	(1,079,056)	(30,839,536)	-
	-	-	-	125,918
General Revenues				
Taxes				
Property	16,811,936	-	16,811,936	-
Replacement	101,684	-	101,684	-
Sales and local use	13,223,903	-	13,223,903	-
Utility	1,854,237	-	1,854,237	-
Hotel/motel	46,920	-	46,920	-
Food and beverage	1,312,311	-	1,312,311	-
Real estate transfer	436,138	-	436,138	-
Other taxes	383,363	-	383,363	-
Intergovernmental - unrestricted	4,041,810	-	4,041,810	-
Investment income	763,849	257,078	1,020,927	-
Miscellaneous	257,683	1,574,689	1,832,372	-
Total	39,233,834	1,831,767	41,065,601	-
CHANGE IN NET POSITION	9,473,354	752,711	10,226,065	125,918
NET POSITION, JANUARY 1	47,817,685	32,835,773	80,653,458	3,657,874
Prior period adjustment	51,225	(166,882)	(115,657)	-
NET POSITION, JANUARY 1, RESTATED	47,868,910	32,668,891	80,537,801	3,657,874
NET POSITION, DECEMBER 31	\$ 57,342,264	\$ 33,421,602	\$ 90,763,866	\$ 3,783,792

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2019

	General	Motor Fuel Tax	Tax Increment Financing #3	Nonmajor Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 22,187,779	\$ 538,175	\$ 8,512,870	\$ 4,735,346	\$ 35,974,170
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,674,200	-	-	1,996,134	13,670,334
Accounts	375,383	-	-	176,921	552,304
Accrued interest	41,502	-	-	3,559	45,061
Prepaid items	7,023	-	-	-	7,023
Inventory	16,884	-	-	-	16,884
Due from other governments	5,387,601	166,689	-	-	5,554,290
Advances to other funds	168,447	-	-	-	168,447
TOTAL ASSETS	\$ 39,858,819	\$ 704,864	\$ 8,512,870	\$ 6,911,960	\$ 55,988,513
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,875,904	\$ 118,084	\$ 156,698	\$ 1,345,173	\$ 3,495,859
Retainage payable	-	-	12,053	4,048	16,101
Accrued payroll	527,051	-	-	-	527,051
Unearned revenue	209,966	-	-	-	209,966
Due to other governments	425,533	-	-	-	425,533
Other payables	814,051	-	74,433	77,972	966,456
Due to fiduciary funds	26,705	-	-	-	26,705
Advances from other funds	-	-	-	168,447	168,447
Total liabilities	3,879,210	118,084	243,184	1,595,640	5,836,118
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	11,674,200	-	-	1,996,134	13,670,334
Unavailable dividends	721,072	-	-	-	721,072
Total deferred inflows of resources	12,395,272	-	-	1,996,134	14,391,406
Total liabilities and deferred inflows of resources	16,274,482	118,084	243,184	3,591,774	20,227,524
FUND BALANCES					
Nonspendable					
Inventory	16,884	-	-	-	16,884
Prepaid items	7,023	-	-	-	7,023
Advances to other funds	168,447	-	-	-	168,447
Restricted					
Public safety	-	-	-	400,625	400,625
Highways and streets	-	586,780	-	1,190,870	1,777,650
Debt service	-	-	-	477,033	477,033
Community development	-	-	8,269,686	-	8,269,686
Special service areas	-	-	-	300,976	300,976
Unrestricted					
Assigned					
Capital improvements	-	-	-	1,039,084	1,039,084
Unassigned (deficit)	23,391,983	-	-	(88,402)	23,303,581
Total fund balances	23,584,337	586,780	8,269,686	3,320,186	35,760,989
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 39,858,819	\$ 704,864	\$ 8,512,870	\$ 6,911,960	\$ 55,988,513

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 35,760,989
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	74,159,219
Less amount reported in internal service funds below	(5,698,789)
The equity interest in Hanover Square is included in the governmental activities in the statement of net position	3,783,792
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(14,535,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	22,344
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(66,024)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(902,312)
Net pension asset for the following is shown as an asset on the statement of net position Sheriff's Law Enforcement Personnel Fund	144,869
Net pension liability for the following is shown as a liability on the statement of net position	
Illinois Municipal Retirement Fund	(5,381,149)
Police Pension	(29,632,155)
Firefighters' Pension	(15,089,186)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows of resources on the statement of net position	
Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel Fund	2,329,964
Other Postemployment Benefits	1,430,906
Police Pension	3,861,016
Firefighters' Pension	1,976,684
The total OPEB liability is not due and payable in the current period and, therefore, are not reported in the governmental funds	(7,332,062)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	721,072
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>11,788,086</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 57,342,264</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 December 31, 2019

	General	Motor Fuel Tax	Tax Increment Financing #3	Nonmajor Governmental	Total Governmental
REVENUES					
Taxes	\$ 28,660,286	\$ -	\$ 2,883,232	\$ 2,525,289	\$ 34,068,807
Licenses and permits	1,242,601	-	-	52,000	1,294,601
Charges for services	1,986,105	-	-	-	1,986,105
Fines and forfeits	1,098,906	-	-	61,910	1,160,816
Intergovernmental	4,226,982	1,245,739	-	292,089	5,764,810
Investment income	507,010	13,541	167,420	75,878	763,849
Miscellaneous	409,294	-	19,861	38,272	467,427
Total revenues	38,131,184	1,259,280	3,070,513	3,045,438	45,506,415
EXPENDITURES					
Current					
General government	4,468,215	-	-	-	4,468,215
Community development	3,315,881	-	258,644	188,171	3,762,696
Public safety	21,705,986	-	-	34,309	21,740,295
Public works	4,296,111	-	-	-	4,296,111
Highways and streets	-	-	-	739,471	739,471
Capital outlay	-	1,183,602	1,673,169	2,167,546	5,024,317
Debt service					
Principal retirement	-	-	-	1,070,000	1,070,000
Interest	-	-	-	821,782	821,782
Fiscal charges	-	-	-	2,909	2,909
Total expenditures	33,786,193	1,183,602	1,931,813	5,024,188	41,925,796
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,344,991	75,678	1,138,700	(1,978,750)	3,580,619
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	2,948,642	2,948,642
Transfers (out)	(3,169,342)	-	-	-	(3,169,342)
Total other financing sources (uses)	(3,169,342)	-	-	2,948,642	(220,700)
NET CHANGE IN FUND BALANCES	1,175,649	75,678	1,138,700	969,892	3,359,919
FUND BALANCES, JANUARY 1	22,408,688	511,102	7,130,986	2,350,294	32,401,070
FUND BALANCES, DECEMBER 31	\$ 23,584,337	\$ 586,780	\$ 8,269,686	\$ 3,320,186	\$ 35,760,989

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,359,919
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,854,506
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Certain revenues are deferred in governmental funds but not in governmental activities	21,875
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The change in equity interest in Hanover Square is reported only in the statement of activities	3,783,792
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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	1,070,000
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The decrease in accrued interest payable is shown as a reduction to expense on the statement of activities	3,278
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Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,567,340)
Amortization	1,627
Less amount reported in internal service funds below	901,977

The change in the compensated absences liability is an expense on the statement of activities	(5,692)
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The change in net other postemployment benefits obligations are reported only in the statement of activities	(2,064,012)
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The change in the net pension liability is reported only in the statement of activities	
Illinois Municipal Retirement Fund and	
Sheriff's Law Enforcement Personnel Fund	(4,246,546)
Police Pension	(517,493)
Firefighters' Pension	272,783

The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund and	
Sheriff's Law Enforcement Personnel Fund	4,552,176
Net other postemployment benefits obligations	1,884,503
Police Pension	(860,767)
Firefighters' Pension	(1,124,568)

The change in net position of certain activities of internal service funds is in governmental funds	<u>1,153,336</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 9,473,354</u></u>
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See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2019

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 11,173,357	\$ 319,389	\$ 11,492,746	\$ 6,228,638
Receivables				
Accounts	1,211,598	-	1,211,598	-
Accrued interest	21,032	-	21,032	25
Other	758,403	28,335	786,738	-
Prepaid expenses	9,926	-	9,926	34,699
Total current assets	13,174,316	347,724	13,522,040	6,263,362
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	1,318,445	1,317,517	2,635,962	-
Depreciable, net of accumulated depreciation	19,710,661	1,277,666	20,988,327	5,698,789
Total noncurrent assets	21,029,106	2,595,183	23,624,289	5,698,789
Total assets	34,203,422	2,942,907	37,146,329	11,962,151
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,441,955	100,010	1,541,965	-
OPEB items	314,055	-	314,055	-
Asset retirement obligation items	342,746	-	342,746	-
Total deferred outflows of resources	2,098,756	100,010	2,198,766	-
Total assets and deferred outflows of resources	36,302,178	3,042,917	39,345,095	11,962,151
CURRENT LIABILITIES				
Accounts payable	713,097	5,325	718,422	174,065
Retainage payable	37,545	-	37,545	-
Accrued payroll	82,025	3,581	85,606	-
Deposits	13,300	-	13,300	-
Unearned revenue	-	89,075	89,075	-
Other payables	-	2,100	2,100	-
Compensated absences payable	6,968	-	6,968	-
Total OPEB liability	42,626	3,560	46,186	-
Total current liabilities	895,561	103,641	999,202	174,065
LONG-TERM LIABILITIES				
Compensated absences	132,391	-	132,391	-
Net pension liability	2,515,454	128,714	2,644,168	-
Asset retirement obligation	350,000	-	350,000	-
Total OPEB liability	1,233,654	103,021	1,336,675	-
Total long-term liabilities	4,231,499	231,735	4,463,234	-
Total liabilities	5,127,060	335,376	5,462,436	174,065

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	\$ 366,929	\$ 18,776	\$ 385,705	\$ -
OPEB items	69,544	5,808	75,352	-
Total deferred outflows of resources	436,473	24,584	461,057	-
Total liabilities and deferred inflows of resources	5,563,533	359,960	5,923,493	174,065
NET POSITION				
Net investment in capital assets	21,029,106	2,595,183	23,624,289	5,698,789
Unrestricted	9,709,539	87,774	9,797,313	6,089,297
TOTAL NET POSITION	\$ 30,738,645	\$ 2,682,957	\$ 33,421,602	\$ 11,788,086

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental
	Waterworks	Nonmajor	Total	Activities
	and Sewerage	Enterprise		Internal Service
OPERATING REVENUES				
Charges for services	\$ 10,172,855	\$ 400,871	\$ 10,573,726	\$ 1,767,424
Total operating revenues	10,172,855	400,871	10,573,726	1,767,424
OPERATING EXPENSES				
Administration	1,973,649	-	1,973,649	-
Operations	8,271,869	315,647	8,587,516	263,249
Depreciation	998,508	74,730	1,073,238	901,977
Amortization	7,254	-	7,254	-
Total operating expenses	11,251,280	390,377	11,641,657	1,165,226
OPERATING INCOME (LOSS)	(1,078,425)	10,494	(1,067,931)	602,198
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(479)	-	(479)	-
Investment income	248,126	8,952	257,078	215,750
Infrastructure surcharge	1,574,689	-	1,574,689	-
Loss on the sale of capital assets	(10,646)	-	(10,646)	114,688
Total non-operating revenues (expenses)	1,811,690	8,952	1,820,642	330,438
NET INCOME BEFORE TRANSFERS	733,265	19,446	752,711	932,636
TRANSFERS				
Transfers in	-	-	-	220,700
Total transfers	-	-	-	220,700
CHANGE IN NET POSITION	733,265	19,446	752,711	1,153,336
NET POSITION, JANUARY 1	30,172,262	2,663,511	32,835,773	10,623,329
Prior Period Adjustment	(166,882)	-	(166,882)	11,421
NET POSITION, JANUARY 1, Restated	30,005,380	2,663,511	32,668,891	10,634,750
NET POSITION, DECEMBER 31	\$ 30,738,645	\$ 2,682,957	\$ 33,421,602	\$ 11,788,086

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,686,534	\$ 392,821	\$ 12,079,355	\$ -
Receipts from interfund services	-	-	-	1,767,424
Payments to suppliers	(7,566,837)	(148,441)	(7,715,278)	(346,700)
Payments to employees	(3,118,578)	(176,354)	(3,294,932)	-
Net cash from operating activities	1,001,119	68,026	1,069,145	1,420,724
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	220,700
Net cash from noncapital financing activities	-	-	-	220,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(839,923)	(129,737)	(969,660)	(794,446)
Proceeds from sale of capital assets	-	-	-	114,688
Principal paid on EPA loans	(36,694)	-	(36,694)	-
Interest paid on long-term debt	(479)	-	(479)	-
Net cash from capital and related financing activities	(877,096)	(129,737)	(1,006,833)	(679,758)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	262,134	9,790	271,924	240,159
Net cash from investing activities	262,134	9,790	271,924	240,159
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	386,157	(51,921)	334,236	1,201,825
CASH AND CASH EQUIVALENTS, JANUARY 1	10,787,200	371,310	11,158,510	5,026,813
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 11,173,357	\$ 319,389	\$ 11,492,746	\$ 6,228,638

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2019

	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)	\$ (1,078,425)	\$ 10,494	\$ (1,067,931)	\$ 602,198
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	1,005,762	74,730	1,080,492	901,977
Other non-operating revenues	1,574,689	-	1,574,689	-
Changes in assets and liabilities				
Receivables	(177,738)	(1,910)	(179,648)	-
Prepaid expenses	-	-	-	(34,699)
Pension items - IMRF	(2,183,197)	(134,801)	(2,317,998)	-
OPEB items	(317,963)	211	(317,752)	-
Accounts payable	(147,482)	(16,591)	(164,073)	(48,752)
Accrued payroll	(5,997)	(1,213)	(7,210)	-
Contractors deposits	(3,100)	-	(3,100)	-
Retainage payable	37,545	-	37,545	-
Deferred revenue	-	(8,050)	(8,050)	-
Compensated absences	(31,271)	-	(31,271)	-
Net pension liability	1,905,081	103,574	2,008,655	-
Total OPEB liability	423,215	41,582	464,797	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,001,119	\$ 68,026	\$ 1,069,145	\$ 1,420,724

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

	Pension Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 1,249,277
Investments	
U.S. Government and U.S. agency obligations	13,977,847
Money market mutual funds	617,523
Corporate bonds	5,505,245
Mutual funds	36,556,926
Illinois Metropolitan Investment Fund	35
Receivables	
Accrued interest	128,401
Prepaid items	4,373
Due to other funds	<u>26,705</u>
 Total assets	 <u>58,066,332</u>
 LIABILITIES	
Accounts payable	<u>22,960</u>
 Total liabilities	 <u>22,960</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 58,043,372</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 December 31, 2019

ADDITIONS

Contributions

Employer contributions	\$ 4,273,828
Employee contributions	<u>951,181</u>

Total contributions	<u>5,225,009</u>
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Investment income

Net appreciation in fair value of investments	6,528,862
Interest	<u>1,124,684</u>

Total investment income	7,653,546
Less investment expense	<u>(93,805)</u>

Net investment income	<u>7,559,741</u>
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Total additions	<u>12,784,750</u>
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DEDUCTIONS

Benefits and refunds	4,403,941
Administrative expenses	<u>94,988</u>

Total deductions	<u>4,498,929</u>
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NET INCREASE	8,285,821
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>49,757,551</u>
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December 31	<u><u>\$ 58,043,372</u></u>
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See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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.

Management has determined that there are two blended component units that are required to be included in the financial statements of the Village as 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. Accordingly, the PPERS is fiscally dependent on the Village. PPERS does not issue a stand-alone financial report.

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

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. Accordingly, FPERS is fiscally dependent on the Village. FPERS does not issue a stand-alone financial report.

Hanover Square

In 2015, the Village entered into a redevelopment agreement to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established Limited Liability Company (LLC), Hanover Square, LLC (Hanover Square), and acquired a 90% membership interest in the company. During 2016 the developer defaulted on its obligations and the remaining 10% membership interest reverted to the Village. Hanover Square is now operated with only one member, the Village. The Village can impose its will on Hanover Square as the Village board has approval rights over Hanover Square's annual budget. As the Village has a majority equity interest in the Limited Liability Company, Hanover Square's financial statements have been presented as a discrete column in the government-wide financial statements. The information presented is for the fiscal year ended December 31, 2019. Separately issued financial statements of the Hanover Square may be obtained from the LLC or from the Village Clerk's office. Upon dissolution of the company, the assets of the property will revert to the Tax Increment Financing (TIF) #3 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

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.

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 fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). 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, except for interfund services provided and used. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 Tax Increment Financing #3 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.

The Village reports the following major proprietary funds:

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

Additionally, the Village reports the following internal service funds:

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

The Village reports the following fiduciary funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. Sales taxes, telecommunications taxes, and use taxes use a 90-day period. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability/deferred inflow of resources 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, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 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 acquisition 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. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

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

j. Compensated Absences

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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. Issuance costs are reported as expenses.

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

l. Fund Equity/Net Position

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Equity/Net Position (Continued)

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 outstanding long-term debt principal issued to construct capital assets.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village, except for the MWRD Fields fund.

m. Interfund Transactions

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

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

n. Deferred Outflows/Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 Tax Increment Financing #4 and Tax Increment Financing #5 reported deficit fund balances of \$17,489 and \$70,913 respectively. These deficits are expected to be funded by future tax levies.

3. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

The 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 market value and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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

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

a. Village Deposits with Financial Institutions

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 107,797	\$ -	\$ 107,797	\$ -	\$ -
TOTAL	\$ 107,797	\$ -	\$ 107,797	\$ -	\$ -

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

The Village has the following recurring fair value measurements as of December 31, 2019: the IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 2 input).

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 The 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. The Illinois Funds and the money market mutual fund are not subject to custodial credit risk.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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

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

Diversification by Financial Institution

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

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

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

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

4. RECEIVABLES - TAXES

Property taxes for 2018 attached as an enforceable lien on January 1, 2018, 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, 2019 and are payable in two installments, on or about June 1, 2019 and September 1, 2019. Tax bills are prepared by Cook County and issued on or about February 1, 2019 and July 1, 2019 and are payable March 1, 2019 and August 1, 2019. The counties collect such taxes and remit them periodically.

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

4. RECEIVABLES - TAXES (Continued)

The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has been recorded as a receivable and unavailable/deferred revenue as of December 31, 2019 as the tax has been levied by the Village and is intended to fund the 2020 fiscal year.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances January 1, Restated	Increases	Decreases	Ending Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,454,187	\$ 79,891	\$ -	\$ 4,534,078
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	263,706	1,756,338	-	2,020,044
Total capital assets not being depreciated	29,810,457	1,836,229	-	31,646,686
Capital assets being depreciated				
Buildings	31,886,210	70,755	-	31,956,965
Machinery, equipment and vehicles	16,094,373	979,413	491,165	16,582,621
Improvements other than buildings	3,161,592	57,384	-	3,218,976
Infrastructure	35,338,970	1,827,438	-	37,166,408
Total capital assets being depreciated	86,481,145	2,934,990	491,165	88,924,970
Less accumulated depreciation for				
Buildings	8,932,341	723,803	-	9,656,144
Machinery, equipment and vehicles	7,516,047	1,203,337	491,165	8,228,219
Improvements other than buildings	1,493,175	141,250	-	1,634,425
Infrastructure	26,394,699	498,950	-	26,893,649
Total accumulated depreciation	44,336,262	2,567,340	491,165	46,412,437
Total capital assets being depreciated, net	42,144,883	367,650	-	42,512,533
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 71,955,340	\$ 2,203,879	\$ -	\$ 74,159,219

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 1,177,834
Community development	-
Public safety	718,344
Public works	<u>671,162</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 2,567,340

	Beginning Balances January 1, Restated	Increases	Decreases	Ending Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,254,634	\$ -	\$ -	\$ 2,254,634
Construction in progress	-	381,328	-	<u>381,328</u>
Total capital assets not being depreciated	<u>2,254,634</u>	<u>381,328</u>	-	<u>2,635,962</u>
Capital assets being depreciated				
Buildings and structures	12,662,864	-	-	12,662,864
Machinery, equipment and vehicles	3,501,974	163,581	209,304	3,456,251
Underground systems	16,765,093	295,014	-	17,060,107
Improvements other than buildings	<u>10,521,618</u>	<u>129,737</u>	-	<u>10,651,355</u>
Total capital assets being depreciated	<u>43,451,549</u>	<u>588,332</u>	<u>209,304</u>	<u>43,830,577</u>
Less accumulated depreciation for				
Building and structures	6,541,598	250,644	-	6,792,242
Machinery and equipment	2,613,076	154,094	198,658	2,568,512
Underground systems	7,200,608	334,689	-	7,535,297
Improvements other than buildings	<u>5,612,388</u>	<u>333,811</u>	-	<u>5,946,199</u>
Total accumulated depreciation	<u>21,967,670</u>	<u>1,073,238</u>	<u>198,658</u>	<u>22,842,250</u>
Total capital assets being depreciated, net	<u>21,483,879</u>	<u>(484,906)</u>	<u>10,646</u>	<u>20,988,327</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u><u>\$ 23,738,513</u></u>	<u><u>\$ (103,578)</u></u>	<u><u>\$ 10,646</u></u>	<u><u>\$ 23,624,289</u></u>

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

5. CAPITAL ASSETS (Continued)

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

BUSINESS-TYPE ACTIVITIES		
Waterworks and sewerage		\$ 998,508
Municipal railroad parking lot		<u>74,730</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES		<u>\$ 1,073,238</u>

	Beginning Balances January 1,	Increases	Decreases	Ending Balances December 31
COMPONENT UNIT - HANOVER SQUARE				
Capital assets not being depreciated				
Land	\$ 1,017,088	\$ -	\$ -	\$ 1,017,088
Total capital assets not being depreciated	<u>1,017,088</u>	<u>-</u>	<u>-</u>	<u>1,017,088</u>
Capital assets being depreciated				
Buildings and improvements	<u>6,560,191</u>	<u>635,909</u>	<u>248,557</u>	<u>6,947,543</u>
Total capital assets being depreciated	<u>6,560,191</u>	<u>635,909</u>	<u>248,557</u>	<u>6,947,543</u>
Less accumulated depreciation for				
Buildings and improvements	<u>378,602</u>	<u>237,264</u>	<u>-</u>	<u>615,866</u>
Total accumulated depreciation	<u>378,602</u>	<u>237,264</u>	<u>-</u>	<u>615,866</u>
Total capital assets being depreciated, net	<u>6,181,589</u>	<u>398,645</u>	<u>248,557</u>	<u>6,331,677</u>
COMPONENT UNIT - HANOVER SQUARE CAPITAL ASSETS, NET	<u>\$ 7,198,677</u>	<u>\$ 398,645</u>	<u>\$ 248,557</u>	<u>\$ 7,348,765</u>

Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorizations	Expended to Date	Commitment
Coax Cable Burial Project	<u>\$ 2,070,625</u>	<u>\$ 1,765,651</u>	<u>\$ 304,974</u>
TOTAL	<u>\$ 2,070,625</u>	<u>\$ 1,765,651</u>	<u>\$ 304,974</u>

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

6. RISK MANAGEMENT

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

a. Intergovernmental Personnel Benefit Cooperative

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

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

b. Intergovernmental Risk Management Agency

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

Risk of loss is transferred, except that each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level.

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

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

6. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of December 31, 2019.

7. LONG-TERM DEBT

a. General Obligation Bonds

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

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

	Fund Debt Retired by	Balances January 1	Additions	Reductions and Defeasance	Balances December 31	Current Portion
\$10,000,000 General Obligation Bond Series of 2010, due in annual installments of \$280,000 to \$1,255,000, plus interest ranging from 1.78% to 6.00% through December 1, 2029.	Debt Service	\$ 7,920,000	\$ -	\$ 325,000	\$ 7,595,000	\$ 330,000
\$5,000,000 General Obligation Bond Series of 2010A, due in annual installments of \$50,000 to \$1,500,000, plus interest ranging from 2.15% to 5.50% through December 1, 2030.	Debt Service	4,125,000	-	200,000	3,925,000	200,000
\$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	3,560,000	-	545,000	3,015,000	565,000
TOTAL		\$ 15,605,000	\$ -	\$ 1,070,000	\$ 14,535,000	\$ 1,095,000

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

7. LONG-TERM DEBT (Continued)

b. Illinois Environmental Protection Agency Loans

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

	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
2000 EPA Loan II	Waterworks and Sewerage	\$ 36,694	\$ -	\$ 36,694	\$ -	\$ -
TOTAL		\$ 36,694	\$ -	\$ 36,694	\$ -	\$ -

c. Notes Payable

Hanover Square has a nonrevolving line of credit note payable with a financial institution that allows for borrowings up to \$3,723,943 to be used exclusively for the construction costs related to the redevelopment of the buildings. The note matures on August 5, 2024. The note calls for monthly interest-only payments through 2017, with the interest rate at the Hanover Square's option of LIBOR plus 2.30%. Hanover Square LLC has the option to fix the rate for a five-year period using a formula defined in the agreement. Beginning in January 2018, principal payments will be due monthly, based on a 25-year amortization period. Any unpaid amounts will be due on the maturity date. At December 31, 2019, the outstanding balance was \$3,426,028.

Hanover Square also has another nonrevolving line of credit note payable with a financial institution that allows for borrowings up to \$2,210,870 to be used exclusively for the construction costs related to the redevelopment of the buildings. As work is completed on the project and approved by an outside third party, funds are released to pay the contractor. The note matures on August 5, 2024. The note calls for monthly interest-only payments, with the interest rate at the Hanover Square's option of LIBOR plus 2.30%. Hanover Square LLC has the option to fix the rate for a five-year period using a formula defined in the agreement. Beginning in January 2019, principal payments will be due monthly, based on a 25-year amortization period. Any unpaid amounts will be due on the maturity date. At December 31, 2019, the outstanding balance was \$771,594.

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

7. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2020	\$ 1,095,000	\$ 779,516
2021	1,120,000	735,760
2022	1,145,000	688,998
2023	1,180,000	640,668
2024	1,235,000	591,048
2025	1,345,000	536,313
2026	1,405,000	459,915
2027	1,445,000	377,630
2028	1,510,000	292,480
2029	1,555,000	201,300
2030	1,500,000	105,000
TOTAL	\$ 14,535,000	\$ 5,408,628

e. Changes in Long-Term Liabilities

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

	Balances January	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 15,605,000	\$ -	\$ 1,070,000	\$ 14,535,000	\$ 1,095,000
Add unamortized bond premium	44,047	-	7,341	36,706	-
Less unamortized bond discount	(64,764)	-	(5,714)	(59,050)	-
Compensated absences*	896,620	50,523	44,831	902,312	45,116
Net pension liability - IMRF*	1,247,717	4,133,432	-	5,381,149	-
Net pension liability - Firefighters' Pension*	15,361,969	-	272,783	15,089,186	-
Net pension liability - Police Pension*	29,114,662	517,493	-	29,632,155	-
Total OPEB liability*	5,268,050	2,064,012	-	7,332,062	244,883
TOTAL GOVERNMENTAL ACTIVITIES	\$ 67,473,301	\$ 6,765,460	\$ 1,389,241	\$ 72,849,520	\$ 1,384,999

*The compensated absences, net pension liability and total OPEB liability have typically been liquidated by the General Fund.

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

7. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities (Continued)

	Balances January 1- Restated	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
EPA loans	\$ 36,694	\$ -	\$ 36,694	\$ -	\$ -
Compensated absences	170,630	-	31,271	139,359	6,968
Net pension liability - IMRF	635,513	2,008,655	-	2,644,168	-
Asset retirement obligation	350,000	-	-	350,000	-
Total OPEB liability	918,064	464,797	-	1,382,861	46,186
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,110,901	\$ 2,473,452	\$ 67,965	\$ 4,516,388	\$ 53,154
	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
COMPONENT UNIT - HANOVER SQUARE					
Wintrust line of credit	\$ 3,574,985	\$ -	\$ 148,958	\$ 3,426,028	\$ 137,041
Wintrust construction line of credit	392,342	379,252	-	771,594	-
TOTAL COMPONENT UNIT - HANOVER SQUARE	\$ 3,967,327	\$ 379,252	\$ 148,958	\$ 4,197,622	\$ 137,041

f. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

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

7. LONG-TERM DEBT (Continued)

g. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance state requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year as well as engineering estimates. The estimated remaining useful lives of the water wells range from 42 to 59 years.

8. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 168,447
TOTAL		\$ 168,447

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

- \$168,447 advance from the General Fund to the Special Service Area #6, TIF #4 Fund and TIF #5 Fund to cover eligible nonbuilding improvements such as road and lot paving.

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental	General	\$ 2,948,642
Internal service	General	220,700
TOTAL		\$ 3,169,342

Interfund transfers during the year ended December 31, 2019 consisted of the following:

- \$849,764, \$2,098,878 and \$220,700 transferred from the General Fund to the General Capital Projects Fund, Road and Bridge Fund and Central Equipment Fund respectively, to cover project expenditures.

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

9. COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency

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

Fiscal Year Ending December 31,	Amount
2020	\$ 869,839
2021	<u>870,188</u>
TOTAL	<u>\$ 1,740,027</u>

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

10. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

c. Northwest Suburban Municipal Joint Action Water Agency

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.

10. CONTINGENT LIABILITIES (Continued)

d. Economic Incentive Agreements

The Village has entered into an economic development agreement with one company to provide property tax rebates as allowed under state statute. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total expenditures incurred under this agreement is \$464,115 as of December 31, 2019.

The Village issued a note receivable to a local business for \$700,000 in September 2009, bearing 0% interest. The payments are satisfied by and are contingent on the generation of incremental property taxes; therefore, no receivable has been recorded by the Village as of December 31, 2019. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.

11. TAX ABATEMENTS

The Village rebates sales taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

The Village has an agreement with a developer to make certain TIF funds available with respect to the Redevelopment Project and the developer agrees to rehabilitate, remodel, renovate and redevelop the property and improve it and the approximate 25,000 square foot building. Fifty percent will annually be available to the developer for reimbursement with a maximum of \$690,000 to be reimbursed. Once the developer has been paid the lessor of \$690,000 or the total TIF-Funded Redevelopment Project costs incurred by the developer, from the Special Tax Allocation Account, then 100% of all remaining Incremental Taxes deposited shall be distributed by Village in according with the Redevelopment Plan and the act.

The Village has an agreement with a developer to rebate 50% of sales tax collected including both the Retailers Occupation Tax (1%) and the Home Rule Municipal Tax (0.50%) to increase sales tax collection. Up to nine employees would be transferred to the Hanover Park location. The agreement requires the Village to rebate to the developer the sales taxes semi-annually based upon sales taxes actually received for a term of ten years that expires on December 31, 2028.

Total rebates incurred for both agreements during the year ended December 31, 2019 was \$2,913,549. A liability of \$1,866,083 has been reported as of December 31, 2019 and is included in accounts payables and other payables. The total expenditures incurred to date in rebates for the currently effective agreements as of December 31, 2019 is \$21,014,988.

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

12. JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

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

The seven members of JAWA and their percentage shares as of December 31, 2019 are as follows:

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

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

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

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts 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.

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

12. JOINT VENTURES (Continued)

Northwest Suburban Municipal Joint Action Water Agency (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 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 \$4,825,519 to JAWA for the year ended December 31, 2019. All payments were paid from the Waterworks and Sewerage Fund.

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

13. DEFINED BENEFIT PENSION PLANS

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

The aggregate total net pension liability, deferred inflows of resources, deferred outflows of resources and expense for all pension plans was \$52,746,658, \$1,950,252, \$11,274,176 and \$6,666,325 at December 31, 2019.

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. Plan Membership

At December 31, 2018, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	118	2
Inactive employees entitled to but not yet receiving benefits	75	-
Active employees	97	-
TOTAL	290	2

b. Benefits Provided

Illinois Municipal Retirement Fund

All employees (other than those covered by SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

b. Benefits Provided (Continued)

age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

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

Sheriff's Law Enforcement Personnel

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

c. Contributions

The Village is required to contribute the remaining amounts necessary to fund IMRF and SLEP as specified by statute. The employer contribution for 2019 was 10.20% of covered payroll for IMRF and 0.00% for SLEP.

d. Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2018	December 31, 2018
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.50%	2.50%
Salary increases	3.39% to 14.25%	3.39% to 14.25%
Interest rate	7.25%	7.25%
Cost of living adjustments	3.00%	3.00%
Asset valuation method	Fair value	Fair value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

e. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for IMRF and SLEP (7.50% in 2017). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF and SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

f. Changes in the Net Pension Liability

Illinois Municipal Retirement Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 48,263,156	\$ 46,379,926	\$ 1,883,230
Changes for the period			
Service cost	695,329	-	695,329
Interest	3,553,263	-	3,553,263
Difference between expected and actual experience	(111,902)	-	(111,902)
Changes in assumptions	1,335,586	-	1,335,586
Employer contributions	-	936,901	(936,901)
Employee contributions	-	324,812	(324,812)
Net investment income	-	(2,568,462)	2,568,462
Benefit payments and refunds	(2,467,948)	(2,467,948)	-
Administrative expense	-	-	-
Other (net transfer)	-	636,938	(636,938)
Net changes	3,004,328	(3,137,759)	6,142,087
BALANCES AT DECEMBER 31, 2018	\$ 51,267,484	\$ 43,242,167	\$ 8,025,317

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

f. Changes in the Net Pension Liability (Continued)

Sheriff's Law Enforcement Personnel Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2018	\$ 608,496	\$ 866,479	\$ (257,983)
Changes for the period			
Service cost	-	-	-
Interest	43,788	-	43,788
Difference between expected and actual experience	6,131	-	6,131
Changes in assumptions	13,607	-	13,607
Employer contributions	-	-	-
Employee contributions	-	-	-
Net investment income	-	(69,668)	69,668
Benefit payments and refunds	(49,313)	(49,313)	-
Administrative expense	-	-	-
Other (net transfer)	-	20,080	(20,080)
Net changes	14,213	(98,901)	(113,114)
BALANCES AT DECEMBER 31, 2018	\$ 622,709	\$ 767,578	\$ (144,869)

There was a change with respect to actuarial assumptions for IMRF and SLEP. Certain demographic assumptions were changed, and the discount rate changed from 7.50% to 7.25%.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Illinois Municipal Retirement Fund

For the year ended December 31, 2019, the Village recognized pension expense of \$164,211. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 519,585
Changes in assumption	952,172	651,069
Net difference between projected and actual earnings on pension plan investments	2,873,208	-
Contributions subsequent to measurement date	775,041	-
TOTAL	\$ 4,600,421	\$ 1,170,654

\$775,041 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. The remaining amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 502,045
2021	435,011
2022	512,550
2023	1,205,120
2024	-
Thereafter	-
TOTAL	\$ 2,654,726

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Sheriff's Law Enforcement Personnel Fund

For the year ended December 31, 2019, the Village recognized pension expense of \$(4,143). At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	<u>56,457</u>	-
TOTAL	<u>\$ 56,457</u>	<u>\$ -</u>

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

<u>Year Ending December 31,</u>	
2020	\$ 16,299
2021	6,740
2022	6,708
2023	26,710
2024	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 56,457</u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

h. Discount Rate Sensitivity

Illinois Municipal Retirement Fund

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 14,040,130	\$ 8,025,317	\$ 3,027,407

Sheriff's Law Enforcement Personnel Fund

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (84,818)	\$ (144,869)	\$ (196,345)

Police Pension Plan

a. Plan Administration

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

a. Plan Administration (Continued)

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

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

b. Plan Membership

At December 31, 2019, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>55</u>
 TOTAL	 <u><u>101</u></u>

c. Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of past service cost by 2033. For the year ended December 31, 2019, the Village's contribution was 50.70% of covered payroll.

e. Investment Policy

ILCS limits the Police Pension Fund (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the Village plus the following: certain non-U.S. obligations

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

e. Investment Policy (Continued)

(corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds and equity securities. During the year ended December 31, 2019, there were changes to the investment policy regarding the asset allocation that were approved by the Board of Trustees.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
T Bill	1.00%	0.40%
Short Gov/Credit	0.00%	1.90%
Int Gov/Credit	0.00%	2.00%
Intermediate Govt	36.00%	1.70%
Large	6.00%	4.45%
Large Value	7.00%	4.70%
Mid Value	7.00%	5.20%
Small	7.00%	5.60%
Small Value	7.00%	6.50%
International Developed	6.00%	4.45%
International Value	6.00%	6.60%
International Small	6.00%	7.45%
Emerging Markets	8.00%	7.50%
REIT	3.00%	3.90%

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

e. Investment Policy (Continued)

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

f. Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

g. Deposits with Financial Institutions

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

h. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 5,353,828	\$ 145,097	\$ 3,361,803	\$ 1,846,928	\$ -
U.S. agency obligations	3,787,440	231,675	1,740,024	1,233,995	581,746
Corporate bonds	3,097,456	80,600	1,376,622	1,613,760	26,474
TOTAL	\$ 12,238,724	\$ 457,372	\$ 6,478,449	\$ 4,694,683	\$ 608,220

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

h. Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of December 31, 2019: the U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

i. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and corporate bonds are managed through an investment advisor and are rated from BAA1-AA3. The U.S. agency obligations are either not rated or rated from AA+ to AAA.

j. Custodial Credit Risk

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

k. Concentrations

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

l. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

l. Discount Rate (Continued)

position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

m. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT			
JANUARY 1, 2019	\$ 60,411,280	\$ 31,296,618	\$ 29,114,662
Changes for the period			
Service cost	1,057,469	-	1,057,469
Interest	4,127,425	-	4,127,425
Difference between expected and actual experience	1,465,219	-	1,465,219
Changes in assumptions	1,357,340	-	1,357,340
Changes in benefit terms	497,177	-	497,177
Employer contributions	-	2,658,387	(2,658,387)
Employee contributions	-	625,248	(625,248)
Net investment income	-	4,754,224	(4,754,224)
Benefit payments and refunds	(2,896,129)	(2,896,129)	-
Administrative expense	-	(50,722)	50,722
Net changes	5,608,501	5,091,008	517,493
BALANCES AT			
DECEMBER 31, 2019	\$ 66,019,781	\$ 36,387,626	\$ 29,632,155

The Projected Individual Salary Increases changed from 4.00% to 9.35% to 3.75% to 9.28%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2019 table and rates are now being applied on a fully-generational basis. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

n. Actuarial Assumptions

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

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Discount rate used for the total pension liability	7.00%
Long-term expected rate of return on plan assets	7.00%
High quality 20-year tax-exempt G.O. Bond rate	2.74%
Projected individual salary increases	3.75% to 9.28%
Projected increase in total payroll	3.50%
Consumer price index (utilities)	2.25%
Inflation rate included	2.25%
Asset valuation method	Fair value

Active Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2019 Improvement Rates.

o. Discount Rate Sensitivity

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 39,945,284	\$ 29,632,155	\$ 21,364,173

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2019, the Village recognized police pension expense of \$4,039,031. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,131,522	\$ 629,568
Changes in assumption	2,072,427	-
Net difference between projected and actual earnings on pension plan investments	<u>286,635</u>	<u>-</u>
TOTAL	<u>\$ 4,490,584</u>	<u>\$ 629,568</u>

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

<u>Year Ending December 31,</u>	
2020	\$ 650,637
2021	721,233
2022	972,579
2023	5,494
2024	514,152
Thereafter	<u>996,921</u>
TOTAL	<u>\$ 3,861,016</u>

Firefighter's Pension Plan

- a. Plan Administration

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan

a. Plan Administration (Continued)

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

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

b. Plan Membership

At December 31, 2019, the Firefighter's Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	35
 TOTAL	 67

c. Benefits Provided

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a firefighter's officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter's officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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. Firefighter's officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

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

d. Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Firefighter's Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Firefighter's Pension Plan. However, the Village has elected to fund 100% of past service cost by 2033. For the year ended December 31, 2019, the Village's contribution was 48.27% of covered payroll.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

e. Investment Policy

ILCS limits the Firefighter's Pension Fund (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the Village plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds and equity securities.

During the year ended December 31, 2019, there were changes to the investment policy regarding the asset allocation that were approved by the Board of Trustees.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
T Bill	1.00%	0.40%
Short Gov/Credit	0.00%	1.90%
Int Gov/Credit	0.00%	2.00%
Intermediate Govt	36.00%	1.70%
Large	6.00%	4.45%
Large Value	7.00%	4.70%
Mid Value	7.00%	5.20%
Small	7.00%	5.60%
Small Value	7.00%	6.50%
International Developed	6.00%	4.45%
International Value	6.00%	6.60%
International Small	6.00%	7.45%
Emerging Markets	8.00%	7.50%
REIT	3.00%	3.90%

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

e. Investment Policy (Continued)

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

f. Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

g. Deposits with Financial Institutions

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

h. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 3,954,000	\$ -	\$ 2,588,336	\$ 1,365,664	\$ -
U.S. agency obligations	882,579	-	-	158,592	723,987
Corporate bonds	2,407,789	90,708	1,238,973	1,046,339	31,769
TOTAL	\$ 7,244,368	\$ 90,708	\$ 3,827,309	\$ 2,570,595	\$ 755,756

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

h. Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of December 31, 2019: the U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

i. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations are either not rated or rated AAA. The corporate bonds are rated from BAA1-AAA.

j. Custodial Credit Risk

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

k. Concentrations

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

l. Discount Rate

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

m. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 33,822,902	\$ 18,460,933	\$ 15,361,969
Changes for the period			
Service cost	825,155	-	825,155
Interest	2,314,830	-	2,314,830
Difference between expected and actual experience	120,121	-	120,121
Changes in assumptions	884,261	-	884,261
Changes in benefits terms	285,475	-	285,475
Employer contributions	-	1,615,441	(1,615,441)
Employee contributions	-	325,933	(325,933)
Other contributions	-	-	-
Net investment income	-	2,805,517	(2,805,517)
Benefit payments and refunds	(1,507,812)	(1,507,812)	-
Administrative expense	-	(44,266)	44,266
Net changes	2,922,030	3,194,813	(272,783)
BALANCES AT DECEMBER 31, 2019	\$ 36,744,932	\$ 21,655,746	\$ 15,089,186

The Projected Individual Salary Increases changed from 4.00% to 19.34% to 3.75% to 19.09%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2019 table and rates are now being applied on a fully-generational basis. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

n. Actuarial Assumptions

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

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Discount rate used for the total pension liability	7.00%
Long-term expected rate of return on plan assets	7.00%
High quality 20-year tax-exempt G.O. Bond rate	2.74%
Projected individual salary increases	3.75% to 19.09%
Projected increase in total payroll	3.50%
Consumer price index (utilities)	2.25%
Inflation rate included	2.25%
Asset valuation method	Fair value

Active Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2019 Improvement Rates.

o. Discount Rate Sensitivity

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 20,834,750	\$ 15,089,186	\$ 10,455,643

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighter's Pension Plan (Continued)

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

For the year ended December 31, 2019, the Village recognized firefighter's pension expense of \$2,467,226. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighter's pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 932,972	\$ 55,559
Changes in assumption	1,016,925	94,471
Net difference between projected and actual earnings on pension plan investments	176,817	-
TOTAL	\$ 2,126,714	\$ 150,030

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

Year Ending
December 31,

2020	\$ 352,571
2021	394,715
2022	545,405
2023	(27,938)
2024	238,059
Thereafter	473,872
TOTAL	\$ 1,976,684

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

14. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

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

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 618,117	\$ 631,160	\$ 1,249,277
Investments			
U.S. Government and			
U.S. agency obligations	9,141,268	4,836,579	13,977,847
Money market mutual funds	468,510	149,013	617,523
Corporate bonds	3,097,456	2,407,789	5,505,245
Mutual funds	22,967,952	13,588,974	36,556,926
Illinois Metropolitan			
Investment Fund	10	25	35
Receivables			
Accrued interest	77,562	50,839	128,401
Prepaid items	3,780	593	4,373
Due from other funds	26,705	-	26,705
	<hr/>		
Total assets	36,401,360	21,664,972	58,066,332
LIABILITIES			
Accounts payable	13,734	9,226	22,960
	<hr/>		
Total liabilities	13,734	9,226	22,960
	<hr/>		
NET POSITION	\$ 36,387,626	\$ 21,655,746	\$ 58,043,372

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

14. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,658,387	\$ 1,615,441	\$ 4,273,828
Participants	625,248	325,933	951,181
Total contributions	3,283,635	1,941,374	5,225,009
Investment income			
Net appreciation in fair value of investments	4,121,958	2,406,904	6,528,862
Interest earned	690,731	433,953	1,124,684
Less investment expense	(58,465)	(35,340)	(93,805)
Net investment income	4,754,224	2,805,517	7,559,741
Total additions	8,037,859	4,746,891	12,784,750
DEDUCTIONS			
Pension benefits and refunds	2,896,129	1,507,812	4,403,941
Administrative expenses	50,722	44,266	94,988
Total deductions	2,946,851	1,552,078	4,498,929
NET INCREASE	5,091,008	3,194,813	8,285,821
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	31,296,618	18,460,933	49,757,551
December 31	\$ 36,387,626	\$ 21,655,746	\$ 58,043,372

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

15. 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 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. 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 postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At December 31, 2017 (actuarial valuation date) membership consisted of:

Retirees and beneficiaries currently receiving benefits	28
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>188</u>
TOTAL	<u><u>216</u></u>
Participating employers	<u>1</u>

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

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The Village’s total OPEB liability of \$8,714,923 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2017.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of December 31, 2017, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019, including updating the discount rate at December 31, 2019, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	2.74%
Healthcare cost trend rates	5.00% to 6.50% Initial 5.00% Ultimate

The actuarial assumptions used in the December 31, 2019 valuation are based on 50% participation assumed and 50% are assumed to elect spousal coverage.

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2019.

Active IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates and Weighted Based on the IMRF December 31, 2018 Actuarial Valuation.

Active Firefighter Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2019 Improvement Rates.

Active Police Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2019 Improvement Rates.

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

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	<u>\$ 6,186,114</u>
Changes for the period	
Service cost	195,099
Interest	247,704
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	2,377,075
Benefit payments	<u>(291,069)</u>
Net Changes	<u>2,528,809</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 8,714,923</u>

The changes in the net OPEB liability related to changes in assumptions due to a change in discount rate from beginning of the Village's fiscal year to the end.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.74% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74%) than the current rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 10,312,846	\$ 8,714,923	\$ 7,468,798

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

15. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 6.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 5.50%) or 1 percentage point higher (6.00% to 7.50%) than the current rate:

	1% Decrease (4.00% to 5.50%)	Current Healthcare Rate (5.00% to 6.50%)	1% Increase (6.00% to 7.50%)
Total OPEB liability	\$ 7,197,269	\$ 8,714,923	\$ 10,712,627

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Village recognized OPEB expense of \$326,554. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	2,144,484	474,875
TOTAL	\$ 2,144,484	\$ 474,875

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,	
2020	\$ 174,820
2021	174,820
2022	174,820
2023	174,820
2024	174,820
Thereafter	795,509
TOTAL	\$ 1,669,609

16. PRIOR PERIOD ADJUSTMENT

Net position of business type-activities has been restated to adjust for the Village implementing a new capital asset software module that resulted in corrections to the accumulation depreciation in the amount of \$(166,882).

Net position of governmental activities has been restated to adjust for the Village implementing a new capital asset software module that resulted in corrections to the accumulation depreciation in the amount of \$51,225.

17. SUBSEQUENT EVENTS

On February 24, 2020, the Village issued \$12,980,000 to refund \$14,535,000 of the General Obligation Bonds Series, 2010, 2010A and 2011.

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police and Firefighter's Pension Plans have experienced significant declines in quoted prices on active markets. Management of the Police and Firefighter's Pension Plans are carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

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
- Budgetary Comparison Schedule - Tax Increment Financing #3 Fund
- Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios
 - Other Postemployment Benefits Plan
- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Information
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Information
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Notes to Required Supplementary Information

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 26,764,000	\$ 26,764,000	\$ 28,660,286	\$ 1,896,286
Licenses and permits	1,148,900	1,148,900	1,242,601	93,701
Charges for services	1,753,100	1,753,100	1,986,105	233,005
Fines and forfeits	892,500	892,500	1,098,906	206,406
Intergovernmental	3,575,360	3,575,360	4,226,982	651,622
Investment income	150,050	150,050	507,010	356,960
Miscellaneous	286,834	286,834	409,294	122,460
Total revenues	34,570,744	34,570,744	38,131,184	3,560,440
EXPENDITURES				
Current				
General government	5,009,229	5,079,229	4,468,215	(611,014)
Community development	2,599,017	3,387,717	3,315,881	(71,836)
Public safety	21,658,118	21,658,118	21,705,986	47,868
Public works	4,389,466	4,389,466	4,296,111	(93,355)
Total expenditures	33,655,830	34,514,530	33,786,193	(728,337)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	914,914	56,214	4,344,991	4,288,777
OTHER FINANCING SOURCES (USES)				
Transfers in	66,528	66,528	-	(66,528)
Transfers (out)	(3,035,464)	(3,169,342)	(3,169,342)	-
Total other financing sources (uses)	(2,968,936)	(3,102,814)	(3,169,342)	(66,528)
NET CHANGE IN FUND BALANCES	\$ (2,054,022)	\$ (3,046,600)	1,175,649	\$ 4,222,249
FUND BALANCE, JANUARY 1			22,408,688	
FUND BALANCE, DECEMBER 31			\$ 23,584,337	

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Allotments earned	\$ 972,109	\$ 1,097,109	\$ 1,245,739	\$ 148,630
Investment income	3,500	3,500	13,541	10,041
	<hr/>			
Total revenues	975,609	1,100,609	1,259,280	158,671
	<hr/>			
EXPENDITURES				
Capital outlay	1,300,000	1,453,000	1,183,602	(269,398)
	<hr/>			
Total expenditures	1,300,000	1,453,000	1,183,602	(269,398)
	<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (324,391)</u>	<u>\$ (352,391)</u>	75,678	<u>\$ 428,069</u>
FUND BALANCE, JANUARY 1			<u>511,102</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 586,780</u></u>	

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property taxes	\$ 1,968,146	\$ 1,968,146	\$ 2,883,232	\$ 915,086
Investment income	40,000	40,000	167,420	127,420
Miscellaneous	-	-	19,861	19,861
Total revenues	<u>2,008,146</u>	<u>2,008,146</u>	<u>3,070,513</u>	<u>1,062,367</u>
EXPENDITURES				
Current				
Community development				
Contractual services	780,000	980,000	258,644	(721,356)
Capital outlay	900,000	3,196,495	1,673,169	(1,523,326)
Total expenditures	<u>1,680,000</u>	<u>4,176,495</u>	<u>1,931,813</u>	<u>(2,244,682)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 328,146</u>	<u>\$ (2,168,349)</u>	1,138,700	<u>\$ 3,307,049</u>
FUND BALANCE, JANUARY 1			<u>7,130,986</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 8,269,686</u>	

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service cost	\$ 220,378	\$ 195,099
Interest	223,062	247,704
Differences between expected and actual experience	-	-
Changes of benefit terms	-	-
Changes of assumptions	(590,417)	2,377,075
Benefit payments	(294,312)	(291,069)
Net change in total pension liability	(441,289)	2,528,809
Total OPEB liability - beginning	6,627,403	6,186,114
TOTAL OPEB LIABILITY - ENDING	\$ 6,186,114	\$ 8,714,923
Covered-employee payroll	\$ 15,750,457	\$ 16,681,390
Employer's total OPEB liability as a percentage of covered-employee payroll	39.28%	52.24%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change to the discount rate in 2018 and 2019.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 888,579	\$ 950,875	\$ 977,967	\$ 936,901	\$ 775,041
Contributions in relation to the actuarially determined contribution	888,579	950,875	977,967	936,901	775,041
CONTRIBUTION DEFICIENCY (Excess)	\$ -				
Covered payroll	\$ 6,543,294	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031	\$ 7,598,438
Contributions as a percentage of covered payroll	13.58%	14.01%	13.72%	12.98%	10.20%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
CONTRIBUTION DEFICIENCY (Excess)	\$ -				
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 1,302,480	\$ 1,562,318	\$ 1,657,706	\$ 1,729,683	\$ 1,275,435	\$ 2,078,956	\$ 2,153,658	\$ 2,273,048	\$ 2,457,076	\$ 2,622,455
Contribution in relation to the actuarially determined contribution	1,302,480	1,562,318	1,657,706	1,729,683	1,275,435	2,078,956	2,153,658	2,300,432	2,477,582	2,658,387
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ (27,384)	\$ (20,506)	\$ (35,932)						
Covered payroll	\$ 4,664,877	\$ 4,760,070	\$ 4,761,260	\$ 4,930,629	\$ 5,101,739	\$ 5,020,825	\$ 5,140,730	\$ 5,341,112	\$ 5,242,425	\$ 5,243,756
Contributions as a percentage of covered payroll	27.92%	32.82%	34.82%	35.08%	25.00%	41.41%	41.89%	43.07%	47.26%	50.70%

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

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 15 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 4.00% to 9.35% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 698,763	\$ 805,643	\$ 815,297	\$ 915,601	\$ 714,491	\$ 1,164,625	\$ 1,220,758	\$ 1,351,723	\$ 1,517,169	\$ 1,594,025
Contribution in relation to the actuarially determined contribution	698,763	805,643	815,297	915,601	714,491	1,164,625	1,220,758	1,380,568	1,527,385	1,615,441
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ (28,845)	\$ (10,216)	\$ (21,416)						
Covered payroll	\$ 2,666,892	\$ 2,672,762	\$ 2,828,141	\$ 2,980,239	\$ 2,980,239	\$ 2,965,597	\$ 3,115,991	\$ 3,183,775	\$ 3,241,631	\$ 3,346,426
Contributions as a percentage of covered payroll	26.20%	30.14%	28.83%	30.72%	23.97%	39.27%	39.18%	43.36%	47.12%	48.27%

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

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 15 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 4.00% to 19.34% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 719,917	\$ 650,191	\$ 707,092	\$ 726,316	\$ 695,329
Interest	3,079,014	3,333,582	3,533,657	3,562,670	3,553,263
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	76,300	856,622	(1,609,789)	(547,766)	(111,902)
Changes of assumptions	1,548,180	111,824	(220,887)	(1,441,816)	1,335,586
Benefit payments, including refunds of member contributions	(1,722,335)	(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)
Net change in total pension liability	3,701,076	2,813,998	189,861	(51,317)	3,004,328
Total pension liability - beginning	41,609,538	45,310,614	48,124,612	48,314,473	48,263,156
TOTAL PENSION LIABILITY - ENDING	\$ 45,310,614	\$ 48,124,612	\$ 48,314,473	\$ 48,263,156	\$ 51,267,484
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 889,907	\$ 888,579	\$ 950,875	\$ 977,967	\$ 936,901
Contributions - member	283,210	316,164	305,421	324,714	324,812
Net investment income	2,352,058	201,816	2,772,593	7,317,983	(2,568,462)
Benefit payments, including refunds of member contributions	(1,722,335)	(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)
Administrative expense	194,216	331,390	(1,139,027)	(989,389)	636,938
Net change in plan fiduciary net position	1,997,056	(400,272)	669,650	5,280,554	(3,137,759)
Plan fiduciary net position - beginning	38,832,938	40,829,994	40,429,722	41,099,372	46,379,926
PLAN FIDUCIARY NET POSITION - ENDING	\$ 40,829,994	\$ 40,429,722	\$ 41,099,372	\$ 46,379,926	\$ 43,242,167
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 4,480,620	\$ 7,694,890	\$ 7,215,101	\$ 1,883,230	\$ 8,025,317
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.11%	84.01%	85.07%	96.10%	84.35%
Covered payroll	\$ 5,998,378	\$ 6,543,294	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031
Employer's net pension liability as a percentage of covered payroll	74.70%	117.60%	106.31%	26.42%	111.18%

Measurement Date December 31, 2018 - There was a change with respect to actuarial assumptions. The discount rate changed from 7.50% to 7.25%.

Measurement Date December 31, 2017 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Measurement Date December 31, 2016 - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.50%.

Measurement Date December 31, 2015 - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.46%.

Measurement Date December 31, 2014 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	43,096	44,500	44,719	44,892	43,788
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,204	4,854	5,169	5,481	6,131
Changes of assumptions	18,072	-	-	(16,371)	13,607
Benefit payments, including refunds of member contributions	(43,449)	(45,853)	(47,017)	(48,143)	(49,313)
Net change in total pension liability	19,923	3,501	2,871	(14,141)	14,213
Total pension liability - beginning	596,342	616,265	619,766	622,637	608,496
TOTAL PENSION LIABILITY - ENDING	\$ 616,265	\$ 619,766	\$ 622,637	\$ 608,496	\$ 622,709
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	-	-
Net investment income	41,034	3,360	52,097	155,674	(69,668)
Benefit payments, including refunds of member contributions	(43,449)	(45,853)	(47,017)	(48,143)	(49,313)
Administrative expense	2,936	20,078	95,708	(14,355)	20,080
Net change in plan fiduciary net position	521	(22,415)	100,788	93,176	(98,901)
Plan fiduciary net position - beginning	694,409	694,930	672,515	773,303	866,479
PLAN FIDUCIARY NET POSITION - ENDING	\$ 694,930	\$ 672,515	\$ 773,303	\$ 866,479	\$ 767,578
EMPLOYER'S NET PENSION LIABILITY (ASSET)					
Plan fiduciary net position as a percentage of the total pension liability	112.76%	108.51%	124.20%	142.40%	123.26%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Measurement Date December 31, 2018 - There was a change with respect to actuarial assumptions. The discount rate changed from 7.50% to 7.25%.

Measurement Date December 31, 2017 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates and retirement age.

Measurement Date December 31, 2014 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

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

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service cost	\$ 826,153	\$ 933,500	\$ 957,853	\$ 963,023	\$ 1,030,435	\$ 1,057,469
Interest	2,120,601	3,388,095	3,535,205	3,765,976	3,976,549	4,127,425
Changes of benefit terms	-	-	-	-	-	497,177
Differences between expected and actual experience	(74,557)	(1,191,861)	493,707	836,552	(116,138)	1,465,219
Changes of assumptions	884,268	1,065,729	697,595	-	-	1,357,340
Benefit payments, including refunds of member contributions	1,164,414	(1,952,464)	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)
Net change in total pension liability	4,920,879	2,242,999	3,449,025	3,025,635	2,316,031	5,608,501
Total pension liability - beginning	44,456,711	49,377,590	51,620,589	55,069,614	58,095,249	60,411,280
TOTAL PENSION LIABILITY - ENDING	\$ 49,377,590	\$ 51,620,589	\$ 55,069,614	\$ 58,095,249	\$ 60,411,280	\$ 66,019,781
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 1,275,435	\$ 2,078,956	\$ 2,153,658	\$ 2,300,432	\$ 2,477,582	\$ 2,658,387
Contributions - member	323,746	510,565	508,475	509,894	547,137	625,248
Contributions - other	-	-	11,811	7,378	-	-
Net investment income	415,166	(492,361)	2,266,438	3,350,793	(2,484,821)	4,754,224
Benefit payments, including refunds of member contributions	(1,164,414)	(1,952,464)	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)
Administrative expense	(50,938)	(29,889)	(40,102)	(50,125)	(47,871)	(50,722)
Net change in plan fiduciary net position	798,995	114,807	2,664,945	3,578,456	(2,082,788)	5,091,008
Plan fiduciary net position - beginning	26,222,203	27,021,198	27,136,005	29,800,950	33,379,406	31,296,618
PLAN FIDUCIARY NET POSITION - ENDING	\$ 27,021,198	\$ 27,136,005	\$ 29,800,950	\$ 33,379,406	\$ 31,296,618	\$ 36,387,626
EMPLOYER'S NET PENSION LIABILITY	\$ 22,356,392	\$ 24,484,584	\$ 25,268,664	\$ 24,715,843	\$ 29,114,662	\$ 29,632,155
Plan fiduciary net position as a percentage of the total pension liability	54.72%	52.57%	54.12%	57.46%	51.81%	55.12%
Covered payroll	\$ 5,101,739	\$ 5,020,825	\$ 5,140,730	\$ 5,341,112	\$ 5,242,425	\$ 5,243,756
Employer's net pension liability as a percentage of covered payroll	438.21%	487.66%	491.54%	462.75%	555.37%	565.09%

Year Ended December 31, 2019 - The Projected Individual Salary Increases changed from 4.00% to 9.35% to 3.75% to 9.28%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2019 table and rates are now being applied on a fully-generational basis. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

Year Ended December 31, 2016 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.78%. The Projected Individual Salary Increases changed from 4.00% to 10.54% to 4.00% to 9.35%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table and rates are now being applied on a fully-generational basis.

Year Ended December 31, 2015 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.57%. Additionally, the discount rate used in the determination of the total pension liability was changed from 7.25% to 7.00%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Year Ended December 31, 2014 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.48%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

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

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service cost	\$ 534,054	\$ 697,712	\$ 789,376	\$ 802,166	\$ 858,318	\$ 825,155
Interest	1,153,817	1,787,834	1,917,310	2,052,799	2,167,052	2,314,830
Changes of benefit terms	-	-	-	-	-	285,475
Differences between expected and actual experience	(123,447)	(121,544)	558,032	106,820	544,169	120,121
Changes of assumptions	(297,826)	517,009	(160,539)	-	-	884,261
Benefit payments, including refunds of member contributions	593,064	(975,580)	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)
Net change in total pension liability	1,859,662	1,905,431	2,017,068	1,711,630	2,160,501	2,922,030
Total pension liability - beginning	24,168,610	26,028,272	27,933,703	29,950,771	31,662,401	33,822,902
TOTAL PENSION LIABILITY - ENDING	\$ 26,028,272	\$ 27,933,703	\$ 29,950,771	\$ 31,662,401	\$ 33,822,902	\$ 36,744,932
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 714,492	\$ 1,164,625	\$ 1,220,758	\$ 1,380,568	\$ 1,527,385	\$ 1,615,441
Contributions - member	184,034	293,937	293,235	297,440	313,564	325,933
Contributions - other	-	-	109	-	-	-
Net investment income	237,412	(295,023)	1,308,890	1,970,968	(1,484,133)	2,805,517
Benefit payments, including refunds of member contributions	(593,064)	(975,580)	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)
Administrative expense	(33,424)	(25,611)	(25,152)	(38,591)	(45,159)	(44,266)
Net change in plan fiduciary net position	509,450	162,348	1,710,729	2,360,230	(1,097,381)	3,194,813
Plan fiduciary net position - beginning	14,815,557	15,325,007	15,487,355	17,198,084	19,558,314	18,460,933
PLAN FIDUCIARY NET POSITION - ENDING	\$ 15,325,007	\$ 15,487,355	\$ 17,198,084	\$ 19,558,314	\$ 18,460,933	\$ 21,655,746
EMPLOYER'S NET PENSION LIABILITY	\$ 10,703,265	\$ 12,446,348	\$ 12,752,687	\$ 12,104,087	\$ 15,361,969	\$ 15,089,186
Plan fiduciary net position as a percentage of the total pension liability	58.88%	55.44%	57.42%	61.77%	54.58%	58.94%
Covered payroll	\$ 2,980,239	\$ 2,965,597	\$ 3,115,991	\$ 3,183,775	\$ 3,241,631	\$ 3,346,426
Employer's net pension liability as a percentage of covered payroll	359.14%	419.69%	409.27%	380.18%	473.90%	450.90%

Year Ended December 31, 2019 - The Projected Individual Salary Increases changed from 4.00% to 19.34% to 3.75% to 19.09%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2019 table and rates are now being applied on a fully-generational basis. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

Year Ended December 31, 2016 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.78%. The Projected Individual Salary Increases changed from 4.00% to 18.84% to 4.00% to 19.34%. In addition, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table and rates are now being applied on a fully-generational basis.

Year Ended December 31, 2015 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.57%. Additionally, the discount rate used in the determination of the total pension liability was changed from 7.25% to 7.00%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Year Ended December 31, 2014 - There was a change with respect to actuarial assumptions related to the assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds. The rate was changed to 3.48%. Certain demographic assumptions were also changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	2.15%	(1.71%)	8.38%	11.27%	(7.35%)	15.14%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	2.25%	(1.76%)	8.44%	11.39%	(7.42%)	15.28%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

BUDGETS

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

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

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

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

Expenditures exceeded final budget in the Central Equipment Fund by \$14,353 (excluding depreciation) and in the General Fund by \$60,363.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

These financial statements and schedules are not required by 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.

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. 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 December 31, 2019

	Original Budget	Final Budget	Actual
TAXES			
Property tax	\$ 11,660,500	\$ 11,660,500	\$ 11,772,159
Municipal sales tax	6,500,000	6,500,000	7,189,023
Home rule sales tax	4,200,000	4,200,000	4,753,609
Real estate transfer tax	383,000	383,000	436,138
Use tax	1,000,000	1,000,000	1,281,271
Utility tax - simplified telephone	410,000	410,000	426,228
Utility tax - natural gas	415,000	415,000	460,441
Utility tax - electric	990,000	990,000	967,568
Prepared food tax	1,150,000	1,150,000	1,312,311
Auto rental tax	11,000	11,000	14,618
Hotel/motel tax	44,500	44,500	46,920
 Total taxes	 26,764,000	 26,764,000	 28,660,286
LICENSES AND PERMITS			
Licenses			
Business	70,000	70,000	73,571
Liquor	57,000	57,000	62,603
Contractor	40,000	40,000	46,790
Vendor/solicitor	600	600	1,075
Animal	600	600	535
Penalties on licenses	11,300	11,300	53,445
Multi-family	90,900	90,900	92,550
Single family	115,000	115,000	84,750
Land use development	-	-	8,450
Cable franchise fee	380,000	380,000	378,559
Solid waste franchise fee	132,600	132,600	141,381
Permits			
Building	250,000	250,000	298,431
Sign	900	900	461
 Total licenses and permits	 1,148,900	 1,148,900	 1,242,601
CHARGES FOR SERVICES			
Printed materials	7,000	7,000	7,371
Ambulance fees	750,000	750,000	938,932
Plan review - community development	45,000	45,000	102,103
Building re-inspection fees	800	800	200
Vehicle impoundment fees	510,000	510,000	442,415
CPR fees	1,800	1,800	8,010
ADT administrative fee	6,000	6,000	6,701
Public safety application fee	2,000	2,000	3,880
Child safety seat installation	-	-	170

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
CHARGES FOR SERVICES (Continued)			
Rental income	\$ 370,000	\$ 370,000	\$ 383,005
Fire training course	3,000	3,000	1,280
Overweight vehicle	7,500	7,500	6,310
Foreclosure registration	50,000	50,000	85,728
	<hr/>	<hr/>	<hr/>
Total charges for services	1,753,100	1,753,100	1,986,105
FINES AND FORFEITS			
Traffic fines - DuPage	55,000	55,000	222,210
Traffic fines - Cook	100,000	100,000	45,638
Ordinance violations	602,000	602,000	671,787
Police false alarm fines	7,500	7,500	5,100
Fire false alarm fines	2,000	2,000	4,850
Red light camera fines	125,000	125,000	148,691
Kennel fees	1,000	1,000	630
	<hr/>	<hr/>	<hr/>
Total fines and forfeits	892,500	892,500	1,098,906
INTERGOVERNMENTAL			
State income tax	3,450,000	3,450,000	4,041,810
Replacement taxes	78,000	78,000	101,066
State grants	-	-	3,600
Reimbursement - DuPage County	16,910	16,910	16,910
Reimbursement - ILEAS	450	450	290
Reimbursement - police services	25,000	25,000	45,828
Reimbursement - fire services	5,000	5,000	17,478
	<hr/>	<hr/>	<hr/>
Total intergovernmental	3,575,360	3,575,360	4,226,982
INVESTMENT INCOME			
	150,050	150,050	507,010
MISCELLANEOUS			
Reimbursement - miscellaneous	53,567	53,567	184,115
Hazardous materials	5,000	5,000	12,748
Corporate partnership program	2,500	2,500	15,750
Central equipment funding - Water and Sewer	149,567	149,567	149,567
Miscellaneous income	76,200	76,200	47,114
	<hr/>	<hr/>	<hr/>
Total miscellaneous	286,834	286,834	409,294
TOTAL REVENUES	<hr/> \$ 34,570,744	<hr/> \$ 34,570,744	<hr/> \$ 38,131,184

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	Original Budget		Final Budget		Actual
GENERAL GOVERNMENT					
President and board of trustees					
Personal services	\$ 38,754	\$	\$ 38,754	\$	\$ 36,672
Commodities	57,560		57,560		59,651
Contractual services	30,840		30,840		25,981
					<hr/>
Total president and board of trustees	127,154		127,154		122,304
					<hr/>
Village clerk					
Personal services	80,256		80,256		84,790
Commodities	4,110		4,110		762
Contractual services	38,055		38,055		41,525
					<hr/>
Total village clerk	122,421		122,421		127,077
					<hr/>
Village collector					
Personal services	100,075		100,075		98,406
					<hr/>
Total village collector	100,075		100,075		98,406
					<hr/>
Environmental committee					
Commodities	175		175		191
Contractual services	200		200		69
					<hr/>
Total environmental committee	375		375		260
					<hr/>
Special events committee					
Contractual services	40,100		40,100		41,285
					<hr/>
Total environmental committee	40,100		40,100		41,285
					<hr/>
Historical commission					
Commodities	1,650		1,650		389
Contractual services	200		200		-
					<hr/>
Total environmental committee	1,850		1,850		389
					<hr/>
Cultural inclusion and diversity committee					
Commodities	300		300		-
Contractual services	3,250		3,250		2,094
					<hr/>
Total cultural inclusion and diversity committee	3,550		3,550		2,094
					<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Sister City committee			
Commodities	\$ 740	\$ 740	\$ 724
Contractual services	4,850	4,850	4,665
Total sister city committee	<u>5,590</u>	<u>5,590</u>	<u>5,389</u>
Citizens corp council committee			
Commodities	850	850	839
Total citizens corp council committee	<u>850</u>	<u>850</u>	<u>839</u>
Veterans committee			
Commodities	250	250	186
Contractual services	1,500	1,500	2,169
Total veterans committee	<u>1,750</u>	<u>1,750</u>	<u>2,355</u>
Development commission			
Commodities	100	100	68
Contractual services	700	700	(197)
Total development commission	<u>800</u>	<u>800</u>	<u>(129)</u>
CONNECT committee			
Commodities	1,060	1,060	1,060
Contractual services	3,800	3,800	4,287
Total CONNECT committee	<u>4,860</u>	<u>4,860</u>	<u>5,347</u>
Village manager			
Personal services	530,752	530,752	545,102
Commodities	20,053	20,053	19,703
Contractual services	83,695	83,695	61,819
Total village manager	<u>634,500</u>	<u>634,500</u>	<u>626,624</u>
Human resources			
Personal services	322,036	322,036	311,758
Commodities	49,278	49,278	31,858
Contractual services	158,448	158,448	158,094
Total human resources	<u>529,762</u>	<u>529,762</u>	<u>501,710</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Information technology			
Personal services	\$ 275,030	\$ 275,030	\$ 275,831
Commodities	69,300	69,300	58,619
Contractual services	952,831	952,831	926,350
Total information technology	<u>1,297,161</u>	<u>1,297,161</u>	<u>1,260,800</u>
Finance department administration			
Personal services	171,963	167,013	160,273
Commodities	1,825	1,825	1,969
Contractual services	9,892	9,892	5,813
Total finance department administration	<u>183,680</u>	<u>178,730</u>	<u>168,055</u>
Collections			
Personal services	170,080	170,080	168,460
Commodities	7,500	7,500	9,603
Contractual services	1,075	1,075	109
Total collections	<u>178,655</u>	<u>178,655</u>	<u>178,172</u>
General accounting			
Personal services	143,209	143,209	143,317
Commodities	2,000	2,000	1,663
Contractual services	49,521	44,521	55,698
Total general accounting	<u>194,730</u>	<u>189,730</u>	<u>200,678</u>
General administrative services			
Personal services	609,880	609,880	97,929
Contractual services	971,486	1,051,436	1,028,631
Total general administrative services	<u>1,581,366</u>	<u>1,661,316</u>	<u>1,126,560</u>
Total general government	<u>5,009,229</u>	<u>5,079,229</u>	<u>4,468,215</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PUBLIC WORKS			
Administration			
Personal services	\$ 154,487	\$ 154,487	\$ 164,596
Commodities	1,335	1,335	1,360
Contractual services	15,050	15,050	14,267
Total administration	<u>170,872</u>	<u>170,872</u>	<u>180,223</u>
Streets			
Personal services	1,107,286	1,107,286	1,053,911
Commodities	116,245	116,245	122,354
Contractual services	375,012	375,012	398,738
Total streets	<u>1,598,543</u>	<u>1,598,543</u>	<u>1,575,003</u>
Forestry			
Personal services	235,682	235,682	215,060
Commodities	20,500	20,500	27,096
Contractual services	338,704	338,704	337,703
Total forestry	<u>594,886</u>	<u>594,886</u>	<u>579,859</u>
Building			
Personal services	315,506	315,506	309,153
Commodities	92,775	92,775	99,521
Contractual services	215,901	215,901	220,016
Total building	<u>624,182</u>	<u>624,182</u>	<u>628,690</u>
Fleet services administration			
Personal services	403,632	403,632	396,289
Commodities	368,000	368,000	397,450
Contractual services	116,331	116,331	109,586
Total fleet services administration	<u>887,963</u>	<u>887,963</u>	<u>903,325</u>
Department of engineering			
Personal services	486,372	486,372	408,452
Commodities	3,420	3,420	3,085
Contractual services	23,228	23,228	17,474
Total department of engineering	<u>513,020</u>	<u>513,020</u>	<u>429,011</u>
Total public works	<u>4,389,466</u>	<u>4,389,466</u>	<u>4,296,111</u>

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Fire department			
Administration			
Personal services	\$ 611,504	\$ 611,504	\$ 631,385
Commodities	16,476	16,476	16,432
Contractual services	24,347	24,347	17,041
Total administration	652,327	652,327	664,858
Fire suppression			
Personal services	5,685,249	5,685,249	6,011,477
Commodities	71,956	71,956	89,296
Contractual services	704,052	704,052	685,649
Total fire suppression	6,461,257	6,461,257	6,786,422
Inspections			
Personal services	634,641	634,641	629,457
Commodities	8,250	8,250	8,618
Contractual services	45,600	45,600	43,714
Total inspections	688,491	688,491	681,789
Emergency transport			
Personal services	48,327	48,327	48,372
Commodities	500	500	475
Total emergency transport	48,827	48,827	48,847
Total fire department	7,850,902	7,850,902	8,181,916
Police department			
Administration			
Personal services	873,524	873,524	884,705
Commodities	10,577	10,577	9,991
Contractual services	18,971	18,971	17,436
Total administration	903,072	903,072	912,132
Patrol division			
Personal services	8,003,616	8,003,616	8,156,494
Commodities	64,295	64,295	57,923
Contractual services	226,432	226,432	215,521
Total patrol division	8,294,343	8,294,343	8,429,938

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Investigations			
Personal services	\$ 1,960,265	\$ 1,960,265	\$ 1,751,826
Commodities	33,518	33,518	33,555
Contractual services	52,825	52,825	52,320
Total investigations	2,046,608	2,046,608	1,837,701
Community services			
Personal services	98,494	98,494	96,424
Commodities	345	345	121
Contractual services	3,200	3,200	2,846
Total community services	102,039	102,039	99,391
Staff services			
Personal services	1,085,541	1,085,541	931,149
Commodities	54,715	54,715	53,067
Contractual services	756,284	756,284	735,113
Total staff services	1,896,540	1,896,540	1,719,329
Code enforcement			
Personal services	540,168	540,168	497,601
Commodities	4,040	4,040	5,083
Contractual services	10,270	10,270	14,249
Total code enforcement	554,478	554,478	516,933
Total police department	13,797,080	13,797,080	13,515,424
Emergency services			
Commodities	4,084	4,084	4,049
Contractual services	6,052	6,052	4,597
Total emergency services	10,136	10,136	8,646
Total public safety	21,658,118	21,658,118	21,705,986

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
COMMUNITY DEVELOPMENT			
Economic development			
Personal services	\$ 422,184	\$ 422,184	\$ 365,496
Commodities	17,685	17,685	17,131
Contractual services	2,159,148	2,947,848	2,933,254
	<hr/>	<hr/>	<hr/>
Total economic development	2,599,017	3,387,717	3,315,881
	<hr/>	<hr/>	<hr/>
Total community development	2,599,017	3,387,717	3,315,881
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 33,655,830	\$ 34,514,530	\$ 33,786,193

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

DEBT SERVICE FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2019

	Special Revenue			
	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
ASSETS				
Cash and investments	\$ 1,862,943	\$ 370,855	\$ 287,694	\$ 13,562
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	-	-	-
Accounts	50,468	30,769	6,036	-
Accrued interest	-	-	-	-
TOTAL ASSETS	\$ 1,913,411	\$ 401,624	\$ 293,730	\$ 13,562
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,120,034	\$ 83	\$ 3,774	\$ -
Retainage payable	4,048	-	-	-
Other payables	-	-	1,584	-
Advances from other funds	-	-	-	-
Total liabilities	1,124,082	83	5,358	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	1,124,082	83	5,358	-
FUND BALANCES				
Restricted				
Public safety	-	-	288,372	13,562
Highways and streets	789,329	401,541	-	-
Debt service	-	-	-	-
Special service areas	-	-	-	-
Unrestricted				
Assigned				
Capital improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	789,329	401,541	288,372	13,562
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,913,411	\$ 401,624	\$ 293,730	\$ 13,562

Special Revenue						Debt Service
Foreign Fire Insurance Tax	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ 97,476	\$ 44,646	\$ 8,349	\$ 40,236	\$ 43,565	\$ 214,245	\$ 228,476
-	-	-	17,178	20,259	171,081	629,628
1,215	87,508	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 98,691</u>	<u>\$ 132,154</u>	<u>\$ 8,349</u>	<u>\$ 57,414</u>	<u>\$ 63,824</u>	<u>\$ 385,326</u>	<u>\$ 858,104</u>
\$ -	\$ -	\$ 7,146	\$ -	\$ -	\$ 9,014	\$ -
-	-	-	-	-	-	-
-	36,388	40,000	-	-	-	-
-	113,255	32,116	-	-	-	-
-	149,643	79,262	-	-	9,014	-
-	-	-	17,178	20,259	171,081	629,628
-	-	-	17,178	20,259	171,081	629,628
-	149,643	79,262	17,178	20,259	180,095	629,628
98,691	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	228,476
-	-	-	40,236	43,565	205,231	-
-	-	-	-	-	-	-
-	(17,489)	(70,913)	-	-	-	-
<u>98,691</u>	<u>(17,489)</u>	<u>(70,913)</u>	<u>40,236</u>	<u>43,565</u>	<u>205,231</u>	<u>228,476</u>
<u>\$ 98,691</u>	<u>\$ 132,154</u>	<u>\$ 8,349</u>	<u>\$ 57,414</u>	<u>\$ 63,824</u>	<u>\$ 385,326</u>	<u>\$ 858,104</u>

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (Continued)

December 31, 2019

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
ASSETS					
Cash and investments	\$ 111,883	\$ 136,674	\$ 35,020	\$ 1,239,722	\$ 4,735,346
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	427,238	655,650	75,100	-	1,996,134
Accounts	-	-	-	925	176,921
Accrued interest	-	-	-	3,559	3,559
TOTAL ASSETS	\$ 539,121	\$ 792,324	\$ 110,120	\$ 1,244,206	\$ 6,911,960
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 205,122	\$ 1,345,173
Retainage payable	-	-	-	-	4,048
Other payables	-	-	-	-	77,972
Advances from other funds	-	-	23,076	-	168,447
Total liabilities	-	-	23,076	205,122	1,595,640
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	427,238	655,650	75,100	-	1,996,134
Total deferred inflows of resources	427,238	655,650	75,100	-	1,996,134
Total liabilities and deferred inflows of resources	427,238	655,650	98,176	205,122	3,591,774
FUND BALANCES					
Restricted					
Public safety	-	-	-	-	400,625
Highways and streets	-	-	-	-	1,190,870
Debt service	111,883	136,674	-	-	477,033
Special service areas	-	-	11,944	-	300,976
Unrestricted					
Assigned					
Capital improvements	-	-	-	1,039,084	1,039,084
Unassigned (deficit)	-	-	-	-	(88,402)
Total fund balances (deficit)	111,883	136,674	11,944	1,039,084	3,320,186
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 539,121	\$ 792,324	\$ 110,120	\$ 1,244,206	\$ 6,911,960

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2019

	Special Revenue			
	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
REVENUES				
Taxes				
Property taxes	\$ 103,379	\$ -	\$ -	\$ -
Gasoline	135,985	-	-	-
Video gaming tax	-	202,271	-	-
Foreign fire insurance tax	-	-	-	-
Intergovernmental				
Personal property replacement taxes	618	-	-	-
Grants	56,709	-	-	-
Other intergovernmental	-	-	-	-
Licenses and permits	-	52,000	-	-
Fines and forfeits	-	-	61,910	-
Investment income	21,239	6,575	5,956	227
Miscellaneous	-	-	-	-
Total revenues	317,930	260,846	67,866	227
EXPENDITURES				
Current				
Community development	-	-	-	-
Public safety	-	-	34,309	-
Highways and streets	739,471	-	-	-
Capital outlay	1,455,566	26,019	-	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	2,195,037	26,019	34,309	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,877,107)	234,827	33,557	227
OTHER FINANCING SOURCES (USES)				
Transfers in	2,098,878	-	-	-
Total other financing sources (uses)	2,098,878	-	-	-
NET CHANGE IN FUND BALANCES	221,771	234,827	33,557	227
FUND BALANCES (DEFICIT), JANUARY 1	567,558	166,714	254,815	13,335
FUND BALANCE (DEFICIT), DECEMBER 31	\$ 789,329	\$ 401,541	\$ 288,372	\$ 13,562

Special Revenue						Debt Service
Foreign Fire Insurance Tax	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	General Obligation Bond Series of 2010
\$ -	\$ 25,705	\$ 10,358	\$ 16,905	\$ 20,260	\$ 166,618	\$ 644,898
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,489	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	146,953
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,478	645	145	601	781	2,929	5,894
-	-	-	-	-	-	-
31,967	26,350	10,503	17,506	21,041	169,547	797,745
-	13,218	14,599	16,867	25,740	117,747	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,519	-	-	-	-	-	-
-	-	-	-	-	-	325,000
-	-	-	-	-	-	446,903
-	-	-	-	-	-	1,053
22,519	13,218	14,599	16,867	25,740	117,747	772,956
9,448	13,132	(4,096)	639	(4,699)	51,800	24,789
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,448	13,132	(4,096)	639	(4,699)	51,800	24,789
89,243	(30,621)	(66,817)	39,597	48,264	153,431	203,687
\$ 98,691	\$ (17,489)	\$ (70,913)	\$ 40,236	\$ 43,565	\$ 205,231	\$ 228,476

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

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

For the Year Ended December 31, 2019

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2010A	General Obligation Bond Series of 2011	Special Service Area #6	General Capital Projects	
REVENUES					
Taxes					
Property taxes	\$ 440,449	\$ 654,344	\$ 73,628	\$ -	\$ 2,156,544
Gasoline	-	-	-	-	135,985
Video gaming tax	-	-	-	-	202,271
Foreign fire insurance tax	-	-	-	-	30,489
Intergovernmental					
Personal property replacement taxes	-	-	-	-	618
Grants	-	-	-	-	56,709
Other intergovernmental	87,809	-	-	-	234,762
Licenses and permits	-	-	-	-	52,000
Fines and forfeits	-	-	-	-	61,910
Investment income	2,516	5,491	634	20,767	75,878
Miscellaneous	-	-	-	38,272	38,272
Total revenues	530,774	659,835	74,262	59,039	3,045,438
EXPENDITURES					
Current					
Community development	-	-	-	-	188,171
Public safety	-	-	-	-	34,309
Highways and streets	-	-	-	-	739,471
Capital outlay	-	-	-	663,442	2,167,546
Debt service					
Principal retirement	200,000	545,000	-	-	1,070,000
Interest	267,038	104,275	3,566	-	821,782
Fiscal charges	1,053	803	-	-	2,909
Total expenditures	468,091	650,078	3,566	663,442	5,024,188
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	62,683	9,757	70,696	(604,403)	(1,978,750)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	849,764	2,948,642
Total other financing sources (uses)	-	-	-	849,764	2,948,642
NET CHANGE IN FUND BALANCES	62,683	9,757	70,696	245,361	969,892
FUND BALANCES (DEFICIT), JANUARY 1	49,200	126,917	(58,752)	793,723	2,350,294
FUND BALANCE (DEFICIT), DECEMBER 31	\$ 111,883	\$ 136,674	\$ 11,944	\$ 1,039,084	\$ 3,320,186

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ROAD AND BRIDGE FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 110,000	\$ 110,000	\$ 103,379
Gasoline	132,000	132,000	135,985
Intergovernmental			
Personal property replacement taxes	1,000	1,000	618
Grants	163,000	163,000	56,709
Investment income	3,000	3,000	21,239
Total revenues	<u>409,000</u>	<u>409,000</u>	<u>317,930</u>
EXPENDITURES			
Current			
Commodities	123,500	123,500	94,897
Contractual services	815,628	976,206	644,574
Capital outlay	1,791,004	1,852,288	1,455,566
Total expenditures	<u>2,730,132</u>	<u>2,951,994</u>	<u>2,195,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,321,132)</u>	<u>(2,542,994)</u>	<u>(1,877,107)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,965,000</u>	<u>2,098,878</u>	<u>2,098,878</u>
Total other financing sources (uses)	<u>1,965,000</u>	<u>2,098,878</u>	<u>2,098,878</u>
NET CHANGE IN FUND BALANCE	<u>\$ (356,132)</u>	<u>\$ (444,116)</u>	221,771
FUND BALANCE, JANUARY 1			<u>567,558</u>
FUND BALANCE, DECEMBER 31			<u>\$ 789,329</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MWRD FIELDS FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 178,200	\$ 178,200	\$ 202,271
Licenses and permits	35,000	35,000	52,000
Investment income	1,000	1,000	6,575
	<hr/>		
Total revenues	214,200	214,200	260,846
	<hr/>		
EXPENDITURES			
Capital outlay	45,000	45,000	26,019
	<hr/>		
Total expenditures	45,000	45,000	26,019
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 169,200</u>	<u>\$ 169,200</u>	234,827
FUND BALANCE, JANUARY 1			<hr/> 166,714
FUND BALANCE, DECEMBER 31			<hr/> \$ 401,541

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATE RESTRICTED FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Fines and forfeits			
DUI fines	\$ 20,000	\$ 20,000	\$ 18,545
Traffic court supervision	15,000	15,000	15,157
Violent offender registration fee	-	-	-
Drug forfeiture	20,000	20,000	27,718
Fees	665	665	490
Investment income	500	500	5,956
Total revenues	<u>56,165</u>	<u>56,165</u>	<u>67,866</u>
EXPENDITURES			
Current			
Contractual services	<u>90,952</u>	<u>90,952</u>	<u>34,309</u>
Total expenditures	<u>90,952</u>	<u>90,952</u>	<u>34,309</u>
NET CHANGE IN FUND BALANCE	<u>\$ (34,787)</u>	<u>\$ (34,787)</u>	33,557
FUND BALANCE, JANUARY 1			<u>254,815</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 288,372</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FEDERAL RESTRICTED FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 1,000	\$ 1,000	\$ -
Investment income	100	100	227
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>227</u>
EXPENDITURES			
Current			
Contractual services	<u>500</u>	<u>500</u>	<u>-</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 600</u>	<u>\$ 600</u>	227
FUND BALANCE, JANUARY 1			<u>13,335</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 13,562</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FOREIGN FIRE INSURANCE TAX FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire insurance tax	\$ 39,000	\$ 39,000	\$ 30,489
Investment income	500	500	1,478
	<hr/>	<hr/>	<hr/>
Total revenues	39,500	39,500	31,967
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Commodities	30,000	30,000	22,519
	<hr/>	<hr/>	<hr/>
Total expenditures	30,000	30,000	22,519
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 9,500</u>	<u>\$ 9,500</u>	9,448
FUND BALANCE, JANUARY 1			<hr/> 89,243
FUND BALANCE, DECEMBER 31			<hr/> \$ 98,691

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 30,000	\$ 30,000	\$ 25,705
Investment income	-	-	645
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>26,350</u>
EXPENDITURES			
Current			
Community development			
Contractual services	<u>100,000</u>	<u>100,000</u>	<u>13,218</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>13,218</u>
NET CHANGE IN FUND BALANCE	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	13,132
FUND BALANCE (DEFICIT), JANUARY 1			<u>(30,621)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (17,489)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 11,500	\$ 11,500	\$ 10,358
Investment income	100	100	145
Total revenues	<u>11,600</u>	<u>11,600</u>	<u>10,503</u>
EXPENDITURES			
Current			
Community development			
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>14,599</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>14,599</u>
NET CHANGE IN FUND BALANCE	<u>\$ (38,400)</u>	<u>\$ (38,400)</u>	(4,096)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(66,817)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (70,913)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 16,678	\$ 16,678	\$ 16,905
Investment income	200	200	601
Total revenues	<u>16,878</u>	<u>16,878</u>	<u>17,506</u>
EXPENDITURES			
Community development			
Contractual services			
Equipment rentals	<u>21,100</u>	<u>21,100</u>	<u>16,867</u>
Total expenditures	<u>21,100</u>	<u>21,100</u>	<u>16,867</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,222)</u>	<u>\$ (4,222)</u>	639
FUND BALANCE, JANUARY 1			<u>39,597</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 40,236</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 December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 19,669	\$ 19,669	\$ 20,260
Investment income	300	300	781
Total revenues	<u>19,969</u>	<u>19,969</u>	<u>21,041</u>
EXPENDITURES			
Community development			
Contractual services	30,300	30,300	25,740
Capital outlay	150	150	-
Total expenditures	<u>30,450</u>	<u>30,450</u>	<u>25,740</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,481)</u>	<u>\$ (10,481)</u>	(4,699)
FUND BALANCE, JANUARY 1			<u>48,264</u>
FUND BALANCE, DECEMBER 31			<u>\$ 43,565</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #5 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 166,098	\$ 166,098	\$ 166,618
Investment income	500	500	2,929
	<hr/>		
Total revenues	166,598	166,598	169,547
	<hr/>		
EXPENDITURES			
Current			
Community development			
Contractual services	166,098	166,098	117,747
	<hr/>		
Total expenditures	166,098	166,098	117,747
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	51,800
FUND BALANCE, JANUARY 1			<u>153,431</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 205,231</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010 FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 639,902	\$ 639,902	\$ 644,898
Intergovernmental	132,000	132,000	146,953
Investment income	1,501	1,501	5,894
	<hr/>	<hr/>	<hr/>
Total revenues	773,403	773,403	797,745
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal	325,000	325,000	325,000
Interest	446,903	446,903	446,903
Fiscal charge	1,500	1,500	1,053
	<hr/>	<hr/>	<hr/>
Total expenditures	773,403	773,403	772,956
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	24,789
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			203,687
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 228,476
			<hr/> <hr/>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2010A FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 437,038	\$ 437,038	\$ 440,449
Intergovernmental	30,000	30,000	87,809
Investment income	1,000	1,000	2,516
	<hr/>	<hr/>	<hr/>
Total revenues	468,038	468,038	530,774
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal	200,000	200,000	200,000
Interest	267,038	267,038	267,038
Fiscal charge	1,500	1,500	1,053
	<hr/>	<hr/>	<hr/>
Total expenditures	468,538	468,538	468,091
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (500)	\$ (500)	62,683
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			49,200
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 111,883
			<hr/> <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 December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 649,275	\$ 649,275	\$ 654,344
Investment income	1,500	1,500	5,491
Total revenues	<u>650,775</u>	<u>650,775</u>	<u>659,835</u>
EXPENDITURES			
Debt service			
Principal	545,000	545,000	545,000
Interest	104,275	104,275	104,275
Fiscal charge	1,500	1,500	803
Total expenditures	<u>650,775</u>	<u>650,775</u>	<u>650,078</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	9,757
FUND BALANCE, JANUARY 1			<u>126,917</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 136,674</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #6 FUND

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

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 75,100	\$ 75,100	\$ 73,628
Investment income	200	200	634
	<hr/>		
Total revenues	75,300	75,300	74,262
	<hr/>		
EXPENDITURES			
Community development			
Contractual services	5,005	5,005	-
Debt service			
Interest	3,567	3,567	3,566
	<hr/>		
Total expenditures	8,572	8,572	3,566
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	66,728	66,728	70,696
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(66,528)	(66,528)	-
	<hr/>		
Total other financing sources (uses)	(66,528)	(66,528)	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 200</u>	<u>\$ 200</u>	70,696
	<hr/>		
FUND BALANCE (DEFICIT), JANUARY 1			<u>(58,752)</u>
	<hr/>		
FUND BALANCE, DECEMBER 31			<u><u>\$ 11,944</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL CAPITAL PROJECTS FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 3,000	\$ 3,000	\$ 20,767
Miscellaneous	38,012	38,012	38,272
Total revenues	41,012	41,012	59,039
EXPENDITURES			
Capital outlay			
Buildings	106,000	106,000	98,943
Other improvements	494,300	494,300	350,744
Office equipment	-	-	4,166
Other equipment	324,464	324,464	209,589
Total expenditures	924,764	924,764	663,442
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(883,752)	(883,752)	(604,403)
OTHER FINANCING SOURCES (USES)			
Transfers in	849,764	849,764	849,764
Total other financing sources (uses)	849,764	849,764	849,764
NET CHANGE IN FUND BALANCE	\$ (33,988)	\$ (33,988)	245,361
FUND BALANCE, JANUARY 1			793,723
FUND BALANCE, DECEMBER 31			\$ 1,039,084

(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.

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water sales	\$ 6,980,000	\$ 6,980,000	\$ 6,727,404
Sewer service	2,765,800	2,765,800	2,641,083
Water penalties	300,000	300,000	291,215
Water tap-on fees	24,500	24,500	56,102
Meter sales	8,000	8,000	11,219
Miscellaneous	442,311	447,311	445,832
Total operating revenues	<u>10,520,611</u>	<u>10,525,611</u>	<u>10,172,855</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Administration			
Personal services	1,414,592	1,414,592	1,355,397
Commodities	4,395	4,395	4,156
Contractual services	771,700	771,700	614,096
Operations - water			
Personal services	883,152	883,152	779,422
Commodities	124,343	124,343	146,715
Contractual services	5,786,292	5,786,292	5,610,560
Capital outlay	800,000	996,503	853,151
Operations - sewer			
Personal services	966,718	966,718	773,627
Commodities	118,112	118,112	100,608
Contractual services	809,637	814,628	767,703
Capital outlay	477,401	477,401	80,009
Debt service			
Principal	36,694	36,694	36,694
Total operating expenses excluding depreciation	<u>12,193,036</u>	<u>12,394,530</u>	<u>11,122,138</u>
OPERATING INCOME (LOSS)	<u>(1,672,425)</u>	<u>(1,868,919)</u>	<u>(949,283)</u>

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

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

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 92,000	\$ 92,000	\$ 248,126
Infrastructure surcharge	1,582,300	1,582,300	1,574,689
Amortization expense	-	-	(7,254)
Proceeds from sale of capital assets	-	-	(10,646)
Interest expense	(482)	(482)	(479)
Total non-operating revenues (expenses)	<u>1,673,818</u>	<u>1,673,818</u>	<u>1,804,436</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ 1,393</u>	<u>\$ (195,101)</u>	<u>855,153</u>
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			839,926
Depreciation			(998,508)
Principal paid			<u>36,694</u>
Total adjustments to GAAP basis			<u>(121,888)</u>
CHANGE IN NET POSITION - GAAP BASIS			<u>733,265</u>
NET POSITION, JANUARY 1			30,172,262
Prior period adjustment			<u>(166,882)</u>
NET POSITION, JANUARY 1, RESTATED			<u>30,005,380</u>
NET POSITION, DECEMBER 31			<u><u>\$ 30,738,645</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 432,222	\$ 432,222	\$ 398,471
Other	10,275	10,275	2,400
Total operating revenues	442,497	442,497	400,871
OPERATING EXPENSES			
Operations			
Personal services	167,613	167,613	185,707
Commodities	4,894	4,894	2,780
Contractual services	102,380	102,380	107,696
Capital outlay	232,500	232,500	149,201
Depreciation	72,000	72,000	74,730
Total operating expenses	579,387	579,387	520,114
OPERATING INCOME (LOSS)	(136,890)	(136,890)	(119,243)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	4,000	4,000	8,952
Total non-operating revenues (expenses)	4,000	4,000	8,952
CHANGE IN NET POSITION - BUDGET BASIS	(132,890)	(132,890)	(110,291)
Assets capitalized	-	-	129,737
Total adjustments to GAAP basis	-	-	129,737
CHANGE IN NET POSITION - GAAP BASIS	\$ (132,890)	\$ (132,890)	19,446
NET POSITION, JANUARY 1			2,663,511
NET POSITION, DECEMBER 31			\$ 2,682,957

(See independent auditor's report.)

INTERNAL SERVICE FUND

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

IT Equipment Replacement Fund - This fund is used to account for the purchase of computer equipment for departments throughout the Village. Financing is provided by charges to the various village funds. This fund is reported as a governmental activity.

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2019

	Central Equipment	IT Equipment Replacement	Total
CURRENT ASSETS			
Cash and investments	\$ 5,655,911	\$ 572,727	\$ 6,228,638
Receivables			
Accrued interest	25	-	25
Prepaid expenses	-	34,699	34,699
Total current assets	5,655,936	607,426	6,263,362
CAPITAL ASSETS			
Depreciable, net of accumulated depreciation	5,544,606	154,183	5,698,789
Net capital assets	5,544,606	154,183	5,698,789
Total assets	11,200,542	761,609	11,962,151
CURRENT LIABILITIES			
Accounts payable	124,653	49,412	174,065
Total current liabilities	124,653	49,412	174,065
LONG-TERM LIABILITIES			
None	-	-	-
Total long-term liabilities	-	-	-
Total liabilities	124,653	49,412	174,065
NET POSITION			
Invested in capital assets	5,544,606	154,183	5,698,789
Unrestricted	5,531,283	558,014	6,089,297
TOTAL NET POSITION	\$ 11,075,889	\$ 712,197	\$ 11,788,086

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended December 31, 2019

	Central Equipment	IT Equipment Replacement	Total
OPERATING REVENUES			
Charges for services	\$ 1,271,831	\$ 495,593	\$ 1,767,424
Total operating revenues	1,271,831	495,593	1,767,424
OPERATING EXPENSES			
Depreciation	890,556	11,421	901,977
Capital outlay	6,540	256,709	263,249
Total operating expenses	897,096	268,130	1,165,226
OPERATING INCOME	374,735	227,463	602,198
NON-OPERATING REVENUES (EXPENSES)			
Investment income	207,197	8,553	215,750
Gain on disposal of capital assets	114,688	-	114,688
Total non-operating revenues (expenses)	321,885	8,553	330,438
NET INCOME BEFORE TRANSFERS	696,620	236,016	932,636
TRANSFERS			
Transfers in	220,700	-	220,700
Total transfers	220,700	-	220,700
CHANGE IN NET POSITION	917,320	236,016	1,153,336
NET POSITION, JANUARY 1	10,158,569	464,760	10,623,329
Prior period adjustment	-	11,421	11,421
NET POSITION, JANUARY 1, RESTATED	10,158,569	476,181	10,634,750
NET POSITION, DECEMBER 31	\$ 11,075,889	\$ 712,197	\$ 11,788,086

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

	Central Equipment	IT Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 1,271,831	\$ 495,593	\$ 1,767,424
Payments to suppliers	(99,453)	(247,247)	(346,700)
Net cash from operating activities	1,172,378	248,346	1,420,724
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	220,700	-	220,700
Net cash from noncapital financing activities	220,700	-	220,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(794,446)	-	(794,446)
Proceeds from sale of capital assets	114,688	-	114,688
Net cash from capital and related financing activities	(679,758)	-	(679,758)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	230,126	10,033	240,159
Net cash from investing activities	230,126	10,033	240,159
NET INCREASE IN CASH AND CASH EQUIVALENTS			
	943,446	258,379	1,201,825
CASH AND CASH EQUIVALENTS, JANUARY 1	4,712,465	314,348	5,026,813
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 5,655,911	\$ 572,727	\$ 6,228,638

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2019

	Central Equipment	IT Equipment Replacement	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 374,735	\$ 227,463	\$ 602,198
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	890,556	11,421	901,977
Increase (decrease) in			
Prepaid expenses	-	(34,699)	(34,699)
Accounts payable	(92,913)	44,161	(48,752)
NET CASH FROM OPERATING ACTIVITIES	\$ 1,172,378	\$ 248,346	\$ 1,420,724
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 5,655,911	\$ 572,727	\$ 6,228,638
TOTAL CASH AND INVESTMENTS	\$ 5,655,911	\$ 572,727	\$ 6,228,638

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 1,271,831	\$ 1,271,831	\$ 1,271,831
Total operating revenues	1,271,831	1,271,831	1,271,831
OPERATING EXPENSES			
Capital outlay	908,900	908,900	923,253
Depreciation	600,000	600,000	890,556
Total operating expenses	1,508,900	1,508,900	1,813,809
OPERATING INCOME (LOSS)	(237,069)	(237,069)	(541,978)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	40,000	40,000	207,197
Gain on disposal of capital assets	-	-	114,688
Total non-operating revenues (expenses)	40,000	40,000	321,885
CHANGE IN NET POSITION - BUDGET BASIS	(197,069)	(197,069)	(220,093)
TRANSFERS			
Transfer in	220,700	220,700	220,700
Total transfers	220,700	220,700	220,700
NET INCOME - BUDGET BASIS	\$ 23,631	\$ 23,631	607
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			916,713
Total adjustments to GAAP basis			916,713
CHANGE IN NET POSITION - GAAP BASIS			917,320
NET POSITION, JANUARY 1			10,158,569
NET POSITION, DECEMBER 31			\$ 11,075,889

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

IT EQUIPMENT REPLACEMENT FUND

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 495,593	\$ 495,593	\$ 495,593
Total operating revenues	495,593	495,593	495,593
OPERATING EXPENSES			
Capital outlay	385,500	394,500	256,709
Total expenses	385,500	394,500	256,709
OPERATING INCOME	110,093	101,093	238,884
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	8,553
Total non-operating revenues (expenses)	1,000	1,000	8,553
CHANGE IN NET POSITION - BUDGET BASIS	\$ 111,093	\$ 102,093	247,437
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			-
Depreciation			(11,421)
Total adjustments to GAAP basis			(11,421)
CHANGE IN NET POSITION - GAAP BASIS			236,016
NET POSITION, JANUARY 1			464,760
Prior period adjustment			11,421
NET POSITION, JANUARY 1, RESTATED			476,181
NET POSITION, DECEMBER 31			\$ 712,197

(See independent auditor's report.)

FIDUCIARY FUNDS

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund - The Police Pension Fund, a fiduciary component unit, 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, a fiduciary component unit, 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

December 31, 2019

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and cash equivalents	\$ 618,117	\$ 631,160	\$ 1,249,277
Investments			
U.S. Government and U.S. agency obligations	9,141,268	4,836,579	13,977,847
Money market mutual funds	468,510	149,013	617,523
Corporate bonds	3,097,456	2,407,789	5,505,245
Mutual funds	22,967,952	13,588,974	36,556,926
Illinois Metropolitan Investment Fund	10	25	35
Receivables			
Accrued interest	77,562	50,839	128,401
Prepaid items	3,780	593	4,373
Due from other funds	26,705	-	26,705
Total assets	36,401,360	21,664,972	58,066,332
LIABILITIES			
Accounts payable	13,734	9,226	22,960
Total liabilities	13,734	9,226	22,960
NET POSITION RESTRICTED FOR PENSIONS			
	\$ 36,387,626	\$ 21,655,746	\$ 58,043,372

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended December 31, 2019

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,658,387	\$ 1,615,441	\$ 4,273,828
Employee contributions	625,248	325,933	951,181
Total contributions	3,283,635	1,941,374	5,225,009
Investment income			
Net appreciation in fair value of investments	4,121,958	2,406,904	6,528,862
Interest	690,731	433,953	1,124,684
Total investment income	4,812,689	2,840,857	7,653,546
Less investment expense	(58,465)	(35,340)	(93,805)
Net investment income	4,754,224	2,805,517	7,559,741
Total additions	8,037,859	4,746,891	12,784,750
DEDUCTIONS			
Benefits and refunds	2,896,129	1,507,812	4,403,941
Administrative expenses	50,722	44,266	94,988
Total deductions	2,946,851	1,552,078	4,498,929
NET INCREASE	5,091,008	3,194,813	8,285,821
NET POSITION RESTRICTED FOR PENSIONS			
January 1	31,296,618	18,460,933	49,757,551
December 31	\$ 36,387,626	\$ 21,655,746	\$ 58,043,372

(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 December 31, 2019

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 2,622,455	\$ 2,622,455	\$ 2,658,387
Employee contributions	543,600	543,600	625,248
Total contributions	<u>3,166,055</u>	<u>3,166,055</u>	<u>3,283,635</u>
Investment income			
Net appreciation in fair value of investments	1,200,000	1,200,000	4,121,958
Interest	145,000	145,000	690,731
Total investment income	1,345,000	1,345,000	4,812,689
Less investment expense	(60,000)	(60,000)	(58,465)
Net investment income	<u>1,285,000</u>	<u>1,285,000</u>	<u>4,754,224</u>
Total additions	<u>4,451,055</u>	<u>4,451,055</u>	<u>8,037,859</u>
DEDUCTIONS			
Benefits and refunds	2,762,800	2,896,210	2,896,129
Administrative expenses	60,060	60,060	50,722
Total deductions	<u>2,822,860</u>	<u>2,956,270</u>	<u>2,946,851</u>
NET INCREASE	<u>\$ 1,628,195</u>	<u>\$ 1,494,785</u>	5,091,008
NET POSITION RESTRICTED FOR PENSIONS			
January 1			<u>31,296,618</u>
December 31			<u>\$ 36,387,626</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 1,594,025	\$ 1,594,025	\$ 1,615,441
Employee contributions	306,475	306,475	325,933
	1,900,500	1,900,500	1,941,374
Investment income			
Net appreciation in fair value of investments	800,000	800,000	2,406,904
Interest	75,000	75,000	433,953
	875,000	875,000	2,840,857
Less investment expense	(35,620)	-	(35,340)
	839,380	875,000	2,805,517
	2,739,880	2,775,500	4,746,891
DEDUCTIONS			
Benefits and refunds	1,647,600	1,647,600	1,507,812
Administrative expenses	55,395	54,645	44,266
	1,702,995	1,702,245	1,552,078
NET INCREASE	\$ 1,036,885	\$ 1,073,255	3,194,813
NET POSITION RESTRICTED FOR PENSIONS			
January 1			18,460,933
December 31			\$ 21,655,746

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF HANOVER PARK, ILLINOIS

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

December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 7,595,000</u>	<u>\$ 3,023,987</u>	<u>\$ 10,618,987</u>		<u>\$ 1,511,994</u>		<u>\$ 1,511,993</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 3,925,000</u>	<u>\$ 2,100,490</u>	<u>\$ 6,025,490</u>		<u>\$ 1,050,244</u>		<u>\$ 1,050,246</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

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

December 31, 2019

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 3,015,000</u>	<u>\$ 284,150</u>	<u>\$ 3,299,150</u>		<u>\$ 142,075</u>		<u>\$ 142,075</u>

(See independent auditor's report.)

STATISTICAL SECTION (Unaudited)

This part of the Village of Hanover Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says 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.	139-148
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	149-158
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.	159-162
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.	163-164
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.	165-168

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	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 44,389,269	\$ 45,248,341	\$ 48,546,851	\$ 48,743,363
Restricted	13,664,072	5,048,350	4,829,701	5,294,935
Unrestricted	13,059,714	15,514,984	11,779,582	14,654,715
TOTAL GOVERNMENTAL ACTIVITIES	\$ 71,113,055	\$ 65,811,675	\$ 65,156,134	\$ 68,693,013
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 23,554,396	\$ 26,694,874	\$ 27,371,016	\$ 26,941,735
Restricted	-	13,644	-	-
Unrestricted	6,239,034	6,277,037	7,296,568	8,581,691
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,793,430	\$ 32,985,555	\$ 34,667,584	\$ 35,523,426
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 67,943,665	\$ 75,917,867	\$ 75,917,867	\$ 75,685,098
Restricted	13,664,072	4,829,701	4,829,701	5,294,935
Unrestricted	19,298,748	19,076,150	19,076,150	23,236,406
TOTAL PRIMARY GOVERNMENT	\$ 100,906,485	\$ 99,823,718	\$ 99,823,718	\$ 104,216,439

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

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

***The Village implemented GASB 75 for year ended December 31, 2018.

Data Source

Audited Financial Statements

2014*	2015**	2016	2017	2018***	2019
\$ 49,462,602	\$ 50,362,373	\$ 52,470,477	\$ 53,331,685	\$ 56,319,828	\$ 59,646,563
4,835,944	6,932,172	7,366,374	8,097,770	9,354,849	11,225,970
17,292,137	(14,151,561)	(14,420,304)	(14,243,345)	(17,856,992)	(13,530,269)
<u>\$ 71,590,683</u>	<u>\$ 43,142,984</u>	<u>\$ 45,416,547</u>	<u>\$ 47,186,110</u>	<u>\$ 47,817,685</u>	<u>\$ 57,342,264</u>
\$ 28,088,831	\$ 23,651,515	\$ 23,578,647	\$ 23,575,332	\$ 23,868,701	\$ 23,624,289
-	-	-	-	-	-
8,965,544	8,534,548	8,846,752	8,984,517	8,967,072	9,797,313
<u>\$ 37,054,375</u>	<u>\$ 32,186,063</u>	<u>\$ 32,425,399</u>	<u>\$ 32,559,849</u>	<u>\$ 32,835,773</u>	<u>\$ 33,421,602</u>
\$ 77,551,433	\$ 74,013,888	\$ 76,049,124	\$ 76,907,017	\$ 80,188,529	\$ 83,270,852
4,835,944	6,932,172	7,366,374	8,097,770	9,354,849	11,225,970
26,257,681	(5,617,013)	(5,573,552)	(5,258,828)	(8,889,920)	(3,732,956)
<u>\$ 108,645,058</u>	<u>\$ 75,329,047</u>	<u>\$ 77,841,946</u>	<u>\$ 79,745,959</u>	<u>\$ 80,653,458</u>	<u>\$ 90,763,866</u>

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental activities				
General government	\$ 4,618,393	\$ 4,634,174	\$ 4,988,649	\$ 4,297,802
Public works	1,085,698	5,183,573	4,070,954	4,211,656
Public safety	17,146,057	15,473,122	18,014,749	18,224,677
Community development	5,160,147	8,971,096	711,260	681,395
Highways and streets	1,582,651	1,499,979	3,946,982	3,522,824
Interest	906,055	1,041,142	1,054,210	1,076,381
Total governmental activities expenses	30,499,001	36,803,086	32,786,804	32,014,735
Business-type activities				
Water and sewer	8,044,254	8,443,812	8,976,177	9,998,473
Parking	336,895	309,014	280,836	387,584
Hanover Square	-	230,810	694,736	694,530
Total business-type activities expenses	8,381,149	8,983,636	9,951,749	11,080,587
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 38,880,150	\$ 45,786,722	\$ 42,738,553	\$ 43,095,322
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,085,427	\$ 1,106,938	\$ 1,157,752	\$ 1,212,828
Public safety	1,732,022	1,969,673	2,045,438	1,989,029
Community development	15,800	14,116	22,493	61,714
Public works	171,931	126,584	150,684	245,355
Operating grants and contributions	1,546,945	1,432,867	1,228,338	1,343,393
Capital grants and contributions	543,452	475,557	318,006	266,197
Total governmental activities program revenues	5,095,577	5,125,735	4,922,711	5,118,516
Business-type activities				
Charges for services				
Water and sewer	7,965,071	8,889,712	10,210,092	11,077,306
Parking	292,286	328,749	317,446	371,185
Hanover Square	-	236,916	669,670	710,703
Capital grants and contributions	-	102,105	688,932	180,126
Total business-type activities program revenues	8,257,357	9,557,482	11,886,140	12,339,320
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 13,352,934	\$ 14,683,217	\$ 16,808,851	\$ 17,457,836

	2014*	2015**	2016	2017	2018***	2019
\$	2,111,972	\$ 4,114,698	\$ 5,009,322	\$ 5,760,254	\$ 4,502,681	\$ 5,296,307
	2,876,529	3,706,168	5,182,283	6,368,070	5,015,307	5,533,768
	12,928,235	19,447,414	20,981,314	21,225,292	23,825,108	23,384,681
	1,858,421	4,022,556	4,005,981	3,618,986	4,193,206	4,082,104
	2,276,624	1,917,673	703,424	866,856	591,102	700,207
	976,489	646,489	925,399	894,677	858,826	819,786
	23,028,270	33,854,998	36,807,723	38,734,135	38,986,230	39,816,853
	7,265,389	11,338,126	11,669,151	12,302,852	11,535,226	11,262,405
	202,907	373,475	380,323	341,781	336,950	390,377
	524,861	593,909	-	-	-	-
	7,993,157	12,305,510	12,049,474	12,644,633	11,872,176	11,652,782
\$	31,021,427	\$ 46,160,508	\$ 48,857,197	\$ 51,378,768	\$ 50,858,406	\$ 51,469,635
\$	769,081	\$ 1,125,855	\$ 1,315,662	\$ 1,322,448	\$ 1,330,699	\$ 1,478,753
	1,286,735	1,894,715	2,043,407	2,113,433	2,540,205	2,561,575
	42,531	18,758	11,794	16,181	68,644	3,849,912
	193,819	337,246	283,057	327,493	330,295	335,096
	1,082,681	1,600,902	1,267,251	1,522,434	1,946,078	1,831,037
	-	258,796	255,138	247,958	-	-
	3,374,847	5,236,272	5,176,309	5,549,947	6,215,921	10,056,373
	7,089,864	10,749,484	10,615,438	10,577,058	10,382,911	10,172,855
	265,895	389,405	443,695	393,290	432,160	400,871
	560,678	643,541	-	-	-	-
	-	-	-	-	-	-
	7,916,437	11,782,430	11,059,133	10,970,348	10,815,071	10,573,726
\$	11,291,284	\$ 17,018,702	\$ 16,235,442	\$ 16,520,295	\$ 17,030,992	\$ 20,630,099

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
NET (EXPENSES) REVENUES				
Governmental activities	\$ (25,403,424)	\$ (31,677,351)	\$ (27,864,093)	\$ (26,896,219)
Business-type activities	(123,792)	573,846	1,934,391	1,258,733
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (25,527,216)	\$ (31,103,505)	\$ (25,929,702)	\$ (25,637,486)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 13,130,988	\$ 14,808,277	\$ 13,110,176	\$ 13,729,431
Sales, local use	7,561,001	7,432,314	7,394,170	9,248,795
Utility	1,750,085	1,730,990	1,621,854	1,588,171
Hotel/motel	32,979	35,281	36,686	43,687
Food and beverage	1,072,674	1,086,568	1,018,775	1,036,661
Other	223,762	298,311	225,065	302,021
Intergovernmental				
Personal property replacement tax	92,787	83,412	82,765	94,867
Income	2,984,408	3,096,265	3,422,147	3,700,323
Investment income	150,716	71,672	106,443	153,820
Miscellaneous	78,619	113,146	99,397	113,527
Transfers	163,219	(2,605,806)	315,418	421,795
Total governmental activities	<u>27,241,238</u>	<u>26,150,430</u>	<u>27,432,896</u>	<u>30,433,098</u>
Business-type activities				
Investment income	19,723	8,996	10,825	8,476
Miscellaneous	9,719	3,477	52,231	10,428
Transfers	(163,219)	2,605,806	(315,418)	(421,795)
Total business-type activities	<u>(133,777)</u>	<u>2,618,279</u>	<u>(252,362)</u>	<u>(402,891)</u>
TOTAL PRIMARY GOVERNMENT	\$ 27,107,461	\$ 28,768,709	\$ 27,180,534	\$ 30,030,207
CHANGE IN NET POSITION				
Governmental activities	\$ 1,837,814	\$ (431,197)	\$ (431,197)	\$ 3,536,879
Business-type activities	(257,569)	1,682,029	1,682,029	855,842
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 1,580,245	\$ 1,250,832	\$ 1,250,832	\$ 4,392,721

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

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

***The Village implemented GASB 75 for year ended December 31, 2018.

Data Source

Audited Financial Statements

2014*	2015**	2016	2017	2018***	2019
\$ (19,379,137)	\$ (28,618,726)	\$ (31,631,414)	\$ (33,184,188)	\$ (32,770,309)	\$ (29,760,480)
(76,720)	(523,080)	(990,341)	(1,674,285)	(1,057,105)	(1,079,056)
<hr/>					
\$ (19,455,857)	\$ (29,141,806)	\$ (32,621,755)	\$ (34,858,473)	\$ (33,827,414)	\$ (30,839,536)
<hr/>					
\$ 11,423,311	\$ 15,426,633	\$ 15,837,755	\$ 15,741,338	\$ 15,673,297	\$ 16,811,936
6,792,806	10,175,081	10,684,970	11,574,442	12,354,638	13,223,903
1,219,601	1,987,557	1,896,000	1,788,223	1,997,184	1,854,237
35,800	45,939	44,881	44,408	44,535	46,920
732,613	1,134,073	1,160,415	1,156,763	1,246,156	1,312,311
422,376	532,785	905,144	589,256	810,080	819,501
51,945	93,510	87,160	101,644	84,998	101,684
2,335,241	4,040,449	3,696,445	3,487,788	3,636,525	4,041,810
58,063	61,070	89,607	198,840	575,434	763,849
215,566	(1,571,337)	282,508	412,898	301,930	257,683
(1,010,515)	4,404,281	76,000	(141,849)	-	-
<hr/>					
22,276,807	36,330,041	34,760,885	34,953,751	36,724,777	39,233,834
<hr/>					
11,102	(202)	12,081	73,199	180,893	257,078
586,052	1,546,822	1,350,513	1,593,687	1,572,459	1,574,689
1,010,515	(4,404,281)	(76,000)	141,849	-	-
<hr/>					
1,607,669	(2,857,661)	1,286,594	1,808,735	1,753,352	1,831,767
<hr/>					
\$ 23,884,476	\$ 33,472,380	\$ 36,047,479	\$ 36,762,486	\$ 38,478,129	\$ 41,065,601
<hr/>					
\$ 2,897,670	\$ 7,711,315	\$ 3,129,471	\$ 1,769,563	\$ 3,954,468	\$ 9,473,354
1,530,949	(3,380,741)	296,253	134,450	696,247	752,711
<hr/>					
\$ 4,428,619	\$ 4,330,574	\$ 3,425,724	\$ 1,904,013	\$ 4,650,715	\$ 10,226,065
<hr/>					

VILLAGE OF HANOVER PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012 (1)	2013	2014
GENERAL FUND				
Reserved	\$ 840,075	\$ -	\$ -	\$ -
Unreserved/undesignated	7,831,351	-	-	-
Nonspendable	-	2,106,350	1,561,197	1,114,638
Restricted	-	136,946	134,910	134,910
Unrestricted				
Assigned	-	674,316	-	-
Unassigned	-	7,099,207	8,473,882	11,611,884
TOTAL GENERAL FUND	\$ 8,671,426	\$ 10,016,819	\$ 10,169,989	\$ 12,861,432
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 22,127,853	\$ -	\$ -	\$ -
Unreserved, reported in				
Debt Service Funds	(508,011)	-	-	-
Capital Project Funds	(95,629)	-	-	-
Nonspendable	-	332,306	-	-
Restricted	-	4,911,404	4,694,791	5,160,025
Unrestricted				
Assigned	-	518,719	273,045	124,603
Unassigned (deficit)	-	(388,417)	(304,265)	(438,081)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 21,524,213	\$ 5,374,012	\$ 4,663,571	\$ 4,846,547

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

(1) 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

2014*	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
556,466	294,419	381,659	324,481	293,222	192,354
-	-	-	-	-	-
-	-	-	-	-	-
14,180,226	16,326,081	19,432,402	21,124,648	22,115,466	23,391,983
<u>\$ 14,736,692</u>	<u>\$ 16,620,500</u>	<u>\$ 19,814,061</u>	<u>\$ 21,449,129</u>	<u>\$ 22,408,688</u>	<u>\$ 23,584,337</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,099	-	-
4,835,944	6,932,172	7,366,374	8,097,770	9,354,849	11,225,970
373,202	845,601	925,390	1,465,047	793,723	1,039,084
(484,093)	(461,479)	(363,202)	(234,789)	(156,190)	(88,402)
<u>\$ 4,725,053</u>	<u>\$ 7,316,294</u>	<u>\$ 7,928,562</u>	<u>\$ 9,336,127</u>	<u>\$ 9,992,382</u>	<u>\$ 12,176,652</u>

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012 (1)	2013	2014
REVENUES				
Taxes	\$ 26,848,683	\$ 25,475,151	\$ 23,406,726	\$ 25,948,765
Licenses and permits	968,506	911,722	979,424	1,138,365
Intergovernmental	1,863,227	5,004,050	4,985,926	5,380,058
Charges for services and fees	1,238,743	1,650,614	1,720,380	1,764,636
Fines and forfeits	512,934	640,015	660,603	590,966
Investment income	150,716	71,672	106,443	153,820
Miscellaneous	590,787	128,747	180,687	153,209
Total revenues	32,173,596	33,881,971	32,040,189	35,129,819
EXPENDITURES				
General government	4,808,312	5,280,476	4,923,925	5,247,701
Public works	2,901,960	3,583,057	3,888,126	3,494,643
Public safety	16,085,156	17,232,650	17,388,396	17,837,161
Community development	1,058,951	5,566,340	968,226	660,326
Highways and streets	711,830	659,311	752,272	796,373
Capital outlay	10,329,362	14,402,668	3,188,327	2,745,856
Debt service				
Principal	1,045,000	8,095,000	730,000	810,000
Interest and fiscal charges	713,273	1,257,620	1,073,606	1,085,135
Total expenditures	37,653,844	56,077,122	32,912,878	32,677,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,480,248)	(22,195,151)	(872,689)	2,452,624
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	5,000,000	7,030,000	-	-
Premiums (discounts) on debt issuance	(40,000)	102,775	-	-
Transfers in	3,480,058	5,665,632	1,198,605	1,444,301
Transfers (out)	(3,316,839)	(5,633,605)	(883,187)	(1,022,506)
Sale of property	-	-	-	-
Total other financing sources (uses)	5,123,219	7,164,802	315,418	421,795
NET CHANGE IN FUND BALANCES	\$ (357,029)	\$ (15,030,349)	\$ (557,271)	\$ 2,874,419
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.01%	5.93%	25.28%	6.05%

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

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

Data Source

Audited Financial Statements

	2014*	2015	2016	2017	2018	2019
\$	20,626,507	\$ 29,302,067	\$ 30,529,164	\$ 30,894,429	\$ 32,125,890	\$ 34,068,807
	718,779	1,224,977	1,168,407	1,267,962	1,279,465	1,294,601
	3,699,934	5,950,576	5,064,919	5,042,818	5,375,448	5,764,810
	1,036,818	1,451,562	1,719,499	1,603,708	1,880,744	1,986,105
	536,820	700,467	766,115	907,692	1,109,612	1,160,816
	58,063	61,070	89,607	198,840	575,434	763,849
	176,651	441,974	523,483	730,098	594,105	467,427
	26,853,572	39,132,693	39,861,194	40,645,547	42,940,698	45,506,415
	2,483,520	3,344,230	3,671,745	3,946,578	4,287,169	4,468,215
	2,644,628	3,962,391	3,874,431	3,981,239	4,237,892	4,296,111
	13,027,697	19,322,453	19,551,407	20,500,538	21,372,010	21,740,295
	1,879,756	4,003,728	3,574,079	3,536,293	4,232,128	3,762,696
	427,967	628,804	728,074	885,352	619,997	739,471
	2,982,751	1,318,476	2,817,230	2,923,902	4,812,292	5,024,317
	875,000	945,000	985,000	1,030,000	1,050,000	1,070,000
	986,620	957,562	929,399	899,012	863,396	824,691
	25,307,939	34,482,644	36,131,365	37,702,914	41,474,884	41,925,796
	1,545,633	4,650,049	3,729,829	2,942,633	1,465,814	3,580,619
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,408,526	1,430,802	1,273,396	2,178,155	2,190,805	2,948,642
	(1,283,276)	(1,605,802)	(1,197,396)	(2,078,155)	(2,190,805)	(3,169,342)
	82,883	-	-	-	150,000	-
	208,133	(175,000)	76,000	100,000	150,000	(220,700)
\$	1,753,766	\$ 4,475,049	\$ 3,805,829	\$ 3,042,633	\$ 1,615,814	\$ 3,359,919
	7.51%	5.82%	5.99%	5.36%	5.04%	4.97%

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
2009	\$ 280,452,625	\$ 1,656	\$ 56,257,117	\$ 4,802,915	\$ 341,514,313	\$ -	\$ 341,514,313	\$ 1.167
2010	254,796,416	1,656	50,647,229	5,196,458	310,641,759	-	310,641,759	1.549
2011	237,115,286	1,656	56,439,864	11,102,423	304,659,229	-	304,659,229	1.591
2012	217,980,488	1,656	55,520,023	7,096,304	280,598,471	-	280,598,471	1.939
2013	172,348,742	1,656	50,024,995	7,085,250	229,460,643	-	229,460,643	2.637
2014*	178,053,406	2,948	55,059,521	-	233,115,875	-	233,115,875	2.687
2015	173,215,080	2,948	52,111,633	-	225,329,661	-	225,329,661	2.863
2016	207,382,952	2,948	54,022,230	-	261,408,130	-	261,408,130	2.513
2017	204,823,395	2,948	56,692,894	-	261,519,237	-	261,519,237	2.472
2018	200,296,460	2,948	55,213,759	-	255,513,167	-	255,513,167	2.545

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

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

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
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	1.7266
2012	262,398,693	28,512	18,710,960	64,919,690	346,057,855	29,291	346,087,146	2.1327
2013	234,486,782	31,364	17,528,130	60,863,810	312,910,086	31,070	312,941,156	2.3941
2014*	224,823,993	34,501	16,622,430	58,665,170	300,146,094	42,030	300,188,124	2.5856
2015	220,471,689	37,195	16,870,870	63,099,260	300,479,014	45,643	300,524,657	2.7346
2016	239,246,373	40,606	17,470,380	67,664,580	324,421,939	55,881	324,477,820	2.4410
2017	259,873,936	68,256	19,057,860	69,672,030	348,672,082	45,345	348,717,427	2.3051
2018	277,836,903	73,079	19,715,550	71,309,510	368,935,042	41,090	368,976,132	2.1702

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

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY

Last Ten Levy Years

Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
VILLAGE DIRECT RATES										
General corporate rate	1.053	1.305	1.385	1.686	2.309	2.357	2.475	1.5041	1.4128	1.4115
Police Pension	-	-	-	-	-	-	-	0.4212	0.4525	0.4973
Fire Pension	-	-	-	-	-	-	-	0.2531	0.2794	0.3023
Debt service rate	0.114	0.244	0.205	0.253	0.328	0.330	0.388	0.3345	0.3268	0.3334
Total direct rate	1.167	1.549	1.590	1.939	2.637	2.687	2.863	2.513	2.472	2.545
OVERLAPPING RATES										
School District #46	4.339	5.026	5.507	6.540	7.580	7.6680	7.9470	6.8370	6.9320	7.1200
School District #509	0.354	0.434	0.475	0.546	0.638	0.6380	0.6540	0.5700	0.5620	0.6120
Hanover Park District	0.371	0.429	0.442	0.511	0.629	0.6240	0.6650	0.5970	0.5970	0.6280
County including Forest Preserve District and TB Sanitarium	0.443	0.474	0.545	0.594	0.629	0.6370	0.6210	0.5960	0.5580	0.5490
Hanover Township	0.239	0.248	0.287	0.324	0.391	0.2980	0.3180	0.2750	0.2810	0.3840
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370	0.417	0.4300	0.4260	0.4060	0.4020	0.3960
Northwest Mosquito Abatement District	0.008	0.009	0.010	0.011	0.013	0.0130	0.0110	0.0100	0.0100	0.0110
Poplar Creek Library	0.350	0.394	0.449	0.515	0.631	0.6320	0.6630	0.5800	0.5900	0.6210
Community Mental Health	0.033	0.038	0.044	0.050	0.061	0.0610	0.0580	0.0570	0.0590	0.0630
Consolidated Elections	-	-	-	-	0.031	-	0.0340	-	0.0310	-
TOTAL DIRECT AND OVERLAPPING TAX RATE	7.565	8.875	9.669	11.400	13.657	13.688	14.260	12.441	12.494	12.929

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
VILLAGE DIRECT RATES										
General corporate rate	0.5478	0.6262	0.7209	0.9039	0.9991	0.9836	0.9664	0.5699	0.4692	0.3819
Fire protection	0.7077	0.7477	0.8068	0.9790	1.1292	1.3204	1.4449	0.9381	0.8951	0.8694
Police Pension	-	-	-	-	-	-	-	0.3676	0.3790	0.3802
Fire Pension	-	-	-	-	-	-	-	0.2791	0.2933	0.2882
Debt service rate	0.1200	0.2091	0.1989	0.2498	0.2658	0.2816	0.3233	0.2863	0.2685	0.2505
Total direct rate	1.3755	1.5830	1.7266	2.1327	2.3941	2.5856	2.7346	2.4410	2.3051	2.1702
OVERLAPPING RATES										
School District #93	3.7112	3.9130	4.1112	4.6112	5.0165	5.1272	5.0951	4.8165	4.6931	4.5643
School District #87	1.6749	1.8378	2.0199	2.2868	2.4877	2.5824	2.5173	2.4030	2.3402	2.2834
Community College #502	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317
Hanover Park District	0.4091	0.4250	0.4554	0.5614	0.5673	0.5834	0.6099	0.5606	0.5415	0.5194
County including Forest Preserve										
District and Airport	0.2919	0.3138	0.3356	0.3639	0.3875	0.3944	0.3781	0.3538	0.3221	0.3097
Wayne Township	0.1268	0.1378	0.1479	0.1626	0.1796	0.1880	0.1847	0.1759	0.1724	0.1704
Poplar Creek Library	0.4003	0.4158	0.4553	0.5977	0.6249	0.6272	0.6601	0.5893	0.5725	0.5552
TOTAL DIRECT AND OVERLAPPING TAX RATE	8.2024	8.8611	9.5014	10.9844	11.9532	12.3857	12.4584	11.6027	11.1900	10.8043

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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
AMB Prop RE Tax Co.	12,541,150	1	2.01%	\$ 15,347,960	3	2.21%
Bradley Real Estate Co				16,943,950	2	2.43%
Menards	7,994,143	3	1.28%	9,853,728	5	1.42%
Fisher Scientific Company	3,795,250	8	0.61%	5,114,500	7	0.73%
IDI Services Group				17,595,970	1	2.53%
Wheaton Bank Trust 1238				10,247,106	4	1.47%
Buckhead Industrial Properties				4,060,900	9	0.58%
Liberty Property LTD	6,613,830	5	1.06%			
Cardinal Capital Partners - GE Trans	3,406,470	9	0.55%	3,450,620	10	0.50%
Harvest A Fuji LLC	5,527,700	6	0.89%			
MS Claremont LP - Symphony	8,527,947	2	1.37%			
NewPlan Excel Realty (7000s Barrington)	6,913,268	4	1.11%			
National Shopping Plaza	2,852,650	10	0.46%			
Harvest A Turnberry CTR	4,198,850	7	0.67%	4,463,360	8	0.64%
Kmart Corporation	-			6,915,438	6	0.99%
TOTAL	<u>\$ 62,371,258</u>		<u>9.99%</u>	<u>\$ 93,993,532</u>		<u>13.51%</u>

Data Source

Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Fiscal Period Ended	Tax Levied	Collected Within the Fiscal Period of the Levy		Collections in Subsequent Periods	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	April 30, 2010	\$ 9,360,557	\$ 1,840,527	19.66%	\$ 7,062,439	\$ 8,902,966	95.11%
2010	April 30, 2011	11,081,993	1,677,810	15.14%	8,982,838	10,660,648	96.20%
2011	April 30, 2012	11,294,245	2,548,018	22.56%	8,275,778	10,823,796	95.83%
2012	April 30, 2013	11,718,824	2,478,683	21.15%	9,266,108	11,744,791	100.22%
2013	December 31, 2014	12,692,238	4,013,571	31.62%	7,372,791	11,386,362	89.71%
2014	December 31, 2015	13,249,064	13,110,424	98.95%	78,554	13,188,978	99.55%
2015	December 31, 2016	13,386,715	13,577,532	101.43%	16,177	13,593,709	101.55%
2016	December 31, 2017	13,386,715	13,475,667	100.66%	-	13,475,667	100.66%
2017	December 31, 2018	13,386,715	13,322,460	99.52%	-	13,322,460	99.52%
2018	December 31, 2019	13,386,715	13,403,723	100.13%	-	13,403,723	100.13%

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ 12,127	\$ -	\$ -	\$ 14,364	\$ 18,810	\$ 9,760
Food	585,020	597,879	472,391	503,151	561,648	574,319	576,736	583,480	582,809	606,709
Drinking and eating places	253,927	264,442	278,890	284,229	273,975	303,626	305,715	277,375	308,618	326,183
Apparel	-	-	-	-	522	-	-	4,142	9,826	227
Furniture, HH and radio	24,015	24,163	27,875	27,853	25,639	28,226	20,856	16,786	18,161	20,353
Lumber, building and hardware	444,876	459,688	517,245	525,261	533,309	604,029	615,656	628,656	642,765	638,648
Automobile and filling stations	329,497	370,963	303,586	294,965	316,758	282,731	292,880	288,816	177,235	229,666
Drugs and miscellaneous retail	470,691	503,913	571,334	598,156	571,484	512,741	519,202	524,001	618,984	584,634
Agriculture and all others	2,398,052	2,614,185	2,542,521	2,831,702	2,927,845	3,171,299	3,486,299	3,956,078	4,341,891	4,725,843
Manufacturers	57,678	29,619	29,239	69,661	77,973	138,599	72,118	71,165	75,243	46,459
TOTAL	\$ 4,563,756	\$ 4,864,852	\$ 4,743,081	\$ 5,134,978	\$ 5,301,280	\$ 5,615,569	\$ 5,889,461	\$ 6,364,863	\$ 6,794,342	\$ 7,188,480
VILLAGE DIRECT SALES TAX RATE	1.00%									

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

HOME RULE TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ 7,561	\$ -	\$ -	\$ 9,282	\$ (12,331)	\$ 6,080
Food	70,052	71,383	56,370	65,115	81,138	107,834	116,472	123,923	127,167	125,720
Drinking and eating places	118,713	123,355	133,067	168,674	195,334	215,732	217,608	198,415	222,819	237,864
Apparel	-	-	-	-	-	-	-	3,093	7,367	170
Furniture, HH and radio	12,006	12,082	13,938	17,842	19,228	20,863	15,643	12,583	13,615	15,265
Lumber, building and hardware	219,262	226,021	254,137	321,137	392,241	444,486	453,347	463,134	473,570	469,685
Automobile and filling stations	156,364	177,242	139,940	175,553	218,435	195,829	198,978	197,843	117,780	152,325
Drugs and miscellaneous retail	121,662	133,369	167,456	230,393	249,511	190,616	186,821	178,906	253,395	228,438
Agriculture and all others	1,196,027	1,304,854	1,269,342	1,775,671	2,190,176	2,378,404	2,592,832	2,958,261	3,251,305	3,535,376
Manufacturers	28,387	14,353	14,061	43,212	57,674	91,765	53,339	52,671	55,703	33,968
TOTAL	\$ 1,922,473	\$ 2,062,659	\$ 2,048,311	\$ 2,797,597	\$ 3,411,298	\$ 3,645,529	\$ 3,835,039	\$ 4,198,111	\$ 4,510,390	\$ 4,804,890
VILLAGE HOME RULE SALES TAX RATE	0.75%									

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation Authority	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County home rule rate	1.75%	1.25%	1.00%	0.75%	0.75%	0.75%	1.75%	1.75%	1.75%	1.75%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	9.75%	9.25%	9.00%	8.75%	8.75%	8.75%	9.75%	9.75%	9.75%	9.75%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	7.50%	7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%

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						
2011	\$ 23,095,000	\$ -	\$ -	\$ 2,225,029	\$ 25,320,029	\$ 743,653,328	3.40%	2.94%	\$ 666.79
2012	22,030,000	-	-	1,919,889	23,949,889	695,936,302	3.44%	2.79%	630.71
2013	21,289,045	-	-	1,606,283	22,895,328	626,685,617	3.65%	2.66%	602.94
2014	20,477,418	-	-	1,283,975	21,761,393	542,401,799	4.01%	2.53%	573.08
2014*	19,615,000	-	-	1,067,648	20,682,648	542,401,799	3.81%	2.41%	544.67
2015	18,654,164	-	-	730,463	19,384,627	533,303,999	3.63%	2.26%	510.90
2016	17,667,537	-	-	383,924	18,051,461	525,854,318	3.43%	2.10%	475.84
2017	16,635,910	-	-	151,013	16,786,923	585,885,950	2.87%	1.95%	442.58
2018	15,584,283	-	-	36,694	15,620,977	610,236,664	2.56%	1.82%	411.92
2019	14,512,658	-	-	-	14,512,658	624,489,299	2.32%	1.82%	382.18

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

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2011	\$ 23,095,000	\$ -	\$ 23,095,000	3.06%	\$ 608.20
2012	22,030,000	234,149	21,795,851	3.13%	573.98
2013	21,289,045	370,984	20,918,061	3.34%	550.87
2014	20,477,418	553,653	19,923,765	3.67%	524.68
2014*	19,615,000	214,928	19,400,072	3.58%	510.89
2015	18,654,164	172,733	18,481,431	3.47%	486.70
2016	17,667,537	192,710	17,474,827	3.31%	460.19
2017	16,635,910	288,429	16,347,481	2.79%	430.50
2018	15,584,283	379,804	15,204,479	2.49%	400.40
2019	14,512,658	477,033	14,035,625	2.25%	369.62

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

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

December 31, 2019

Governmental Unit	Outstanding GO Bonded Debt		Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Hanover Park	\$ 14,512,658		100.00%	\$ 14,512,658
School District #20	9,950,000		33.53%	3,336,513
School District #93	9,515,000	(4)	8.51%	810,063
High School District #87	60,375,000	(3)(4)	1.91%	1,151,545
High School District #108	20,585,000	(3)	6.48%	1,334,296
High School District #211	-		0.00%	-
Community School District #46	237,542,304	(2)	4.64%	11,021,697
Community College District #502	185,380,000	(3)	0.56%	1,035,377
Community College District #509	167,446,226	(2)	1.83%	3,069,595
Community College District #512	188,400,000		0.68%	1,275,652
Total school districts	<u>879,193,530</u>			<u>23,034,738</u>
Cook County	2,950,121,750		0.15%	4,332,527
DuPage County	144,795,000	(3)(4)	0.92%	1,337,017
Cook County Forest Preserve District	142,360,000	(3)	0.15%	209,069
DuPage County Forest Preserve District	102,721,129	(2)(3)	0.92%	948,513
Metropolitan Water Reclamation District	2,348,253,000	(1)	0.15%	3,510,522
Bartlett Park District	21,460,000	(3)	3.41%	730,827
Hanover Park Park District	1,995,000	(3)	91.27%	1,820,863
Schaumburg Park District	3,440,000	(3)	1.27%	43,663
Bloomington Fire Protection District	2,500,000		5.42%	135,548
Total other	<u>5,717,645,879</u>			<u>13,068,549</u>
Total overlapping debt	<u>6,596,839,409</u>			<u>36,103,287</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 6,611,352,067</u></u>			<u><u>\$ 50,615,945</u></u>

(1) Includes IEPA Revolving Loan Fund Bonds.

(2) Includes original principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

(3) Excludes principal amounts of outstanding General Obligation alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(4) Excludes outstanding debt certificates.

Data Sources

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

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2019

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	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2011	37,973	\$ 859,822,639	\$ 22,643	31.5	7,799	10.40%
2012	37,973	859,822,639	22,643	31.5	7,799	8.90%
2013	37,973	859,822,639	22,643	31.5	7,799	10.10%
2014	37,973	859,822,639	22,643	31.5	7,799	10.10%
2014*	37,973	859,822,639	22,643	31.5	7,799	10.10%
2015	37,973	859,822,639	22,643	31.5	7,799	6.10%
2016	37,973	859,822,639	22,643	31.5	7,799	5.70%
2017	37,973	859,822,639	22,643	31.5	7,799	5.80%
2018	37,973	859,822,639	22,643	31.5	7,799	5.70%
2019	37,973	859,822,639	22,643	31.5	7,799	

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

Data Source

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

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Maines Paper & Food Service	250	4	12.82%	400	1	8.00%
Thermo Fischer Scientific	300	1	15.38%	300	2	6.00%
Insight Enterprises, Inc.	250	3	12.82%	250	3	5.00%
Camcraft, Inc.	285	2	14.62%	225	4	4.50%
Fuji Film	150	6	7.69%	150	7	3.00%
Pentair/Everpure, LLC	200	5	10.26%	200	5	4.00%
Village of Hanover Park			0.00%	193	6	3.86%
School Health Corporation			0.00%			
AMPAC	120	9	6.15%			
Wilson Pet Supply	110	10	5.64%	120	8	2.40%
Jabil Packaging Solutions	150	7	7.69%			
Iron Mountain				100	9	2.00%
Round Ground Metals Inc				95	10	1.90%
CMA/Flodyne/Hyradine Inc	135	8	6.92%			
	<u>1,950</u>		<u>100.00%</u>	<u>2,033</u>		<u>40.66%</u>

Data Source

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

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Village Clerk	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	2	3	3	3	3
Legal	-	-	-	-	-	-	-	-	-	-
Human Resources	3	3	3	3	4	3	3	3	3	3
Information Technology	3	3	3	3	3	3	3	3	3	3
Finance	10	10	9	9	10	11	11	11	11	11
PUBLIC WORKS	38	38	38	36	36	36	38	34	34	32
POLICE	80	80	80	80	85	85	85	84	81	85
FIRE	37	40	41	41	41	41	41	41	41	41
COMMUNITY DEVELOPMENT	6	2	2	2	3	3	3	3	3	3
WATER AND SEWER	12	12	12	10	10	10	9	12	15	15
TOTAL	193	192	192	188	196	196	198	196	196	198

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
PUBLIC WORKS										
Forestry										
Number of parkway trees planted	50	-	-	140	-	159	630	521	548	587
Number of parkway trees trimmed	2,094	2,311	2,123	1,870	1,550	1,467	1,570	959	1,435	1,516
Brush pickup program (cubic yards collected)	1,765	1,465	1,640	1,400	965	1,090	1,095	905	705	835
Fleet services										
Number of vehicles maintained	150	152	154	154	154	156	156	161	160	160
Preventative maintenance services	427	436	418	422	420	435	408	477	442	456
PUBLIC SAFETY										
Fire										
Number of fire calls	912	938	970	1,120	653	1,089	1,101	1,265	1,360	1,011
Number of EMS calls	2,255	2,347	2,356	2,458	1,845	2,434	2,455	2,293	2,197	2,478
Number of training hours	10,967	14,879	13,626	14,563	9,982	15,954	14,120	13,595	14,389	13,435
ISO rating	4	4	4	4	4	2	2	2	2	2
Police										
Part I crime	587	503	481	379	290	305	295	279	250	288
Part II crime	4,476	5,019	5,611	5,600	2,626	3,583	3,998	3,637	3,797	3,089
Calls for service	42,226	44,675	47,775	45,244	28,375	43,255	49,150	48,763	47,656	43,406
State tickets issued	6,320	7,039	9,135	7,793	4,617	6,807	7,116	7,319	6,577	6,929
Compliance tickets issued	26	15	16	5	-	-	1,463	-	1,497	2,662
Parking tickets issued	12,161	11,918	13,786	11,609	7,709	9,270	10,223	9,058	9,481	9,206
COMMUNITY DEVELOPMENT										
Number of building permits issued	1,808	1,405	1,502	987	684	1,654	1,896	1,971	2,020	1,952
Number of building inspections	3,845	2,585	2,791	2,965	1,829	5,896	6,076	5,773	6,033	3,460
Number of food service inspections	509	484	493	496	295	422	401	386	313	396
HIGHWAYS AND STREETS										
Sidewalk replaced (square feet)	25,100	26,361	30,159	23,600	23,690	28,159	20,661	25,260	27,929	32,360
Annual resurfacing program (\$)	647,921	550,713	917,493	799,039	900,000	-	1,082,954	842,910	908,441	2,554,715
Crack sealing (pounds installed)	27,000	22,700	21,777	22,680	15,600	16,080	16,666	18,000	19,050	15,900

Function/Program	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
WATER AND SEWER										
Water main breaks	58	55	75	43	43	41	55	63	81	56
Hydrants flushed	1,484	1,475	1,475	1,475	1,599	1,475	1,482	1,546	1,488	1,428
Water meters read	68,186	69,019	67,618	40,462	40,462	41,239	107,171	118,874	157,217	143,121
Water meter service requests	6,301	6,080	6,357	3,765	3,765	4,477	3,393	3,097	5,053	318
Water meters replaced	32	22	32	25	25	102	100	136	247	149
Total distribution pumpage (1,000 gallons)	954,763	938,977	929,490	889,160	873,958	886,487	806,682	815,048	870,441	849,511
Average daily pumpage (1,000 gallons)	2,616	2,566	2,547	2,436	2,394	2,429	2,204	2,233	2,385	2,327
Sanitary sewer televising (feet)	50,743	65,210	17,615	2,801	600	20,831	54,051	27,692	21,579	2,585
Sanitary sewer repairs	3	2	1	1	1	2	5	2	8	1

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

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

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2014*	2015	2016	2017	2018	2019
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
PUBLIC WORKS										
Streets (miles)	99.36	80.13	99.36	99.36	80.13	80.13	80.13	80.13	85.22	85.22
Sidewalks (miles)	155.13	155.15	155.15	155.15	155.25	155.25	155.30	155.37	155.37	155.38
Streetlights	1,130	1,138	1,141	1,141	1,088	1,088	1,088	1,121	1,154	1,160
WATER AND SEWER										
Water mains (miles)	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	125.58	125.58
Fire hydrants	1,474	1,475	1,475	1,477	1,475	1,482	1,483	1,482	1,485	1,482
Sanitary sewers (miles)	93.76	93.80	93.80	93.80	93.80	94.03	94.03	94.03	93.10	93.10
Manholes	2,343	2,346	2,346	2,348	2,348	2,353	2,353	2,353	2,383	2,353

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

Data Source

Village records

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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

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

We have examined management's assertion that the Village of Hanover Park, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2019 for Village Center TIF District (TIF #3), West Irving Park Road Corridor TIF District (TIF #4) and East Irving Park Road TIF District (TIF #5). The Village's management is responsible for its assertion. Our responsibility is to express an opinion on the Village's assertion about the Village's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Hanover Park, Illinois complied with the aforementioned requirements for the year ended December 31, 2019 is fairly stated, in all material respects.

The purpose of this report is solely to describe the scope of our testing of management's assertion of compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 23, 2020