

# VILLAGE OF HANOVER PARK, ILLINOIS



*Hanover Park*<sup>USA</sup>

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2020

**VILLAGE OF HANOVER PARK, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2020

Prepared by Department of Finance

Remy Navarrete  
Director of Finance

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## **INTRODUCTORY SECTION**

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

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**PRINCIPAL OFFICIALS**

December 31, 2020

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Rodney S. Craig, President

Bob Prigge

Lisa Gutierrez

James Kemper

Rick Roberts

Herb Porter

Sharmin Shahjahan

Eira Corral Sepulveda, Clerk

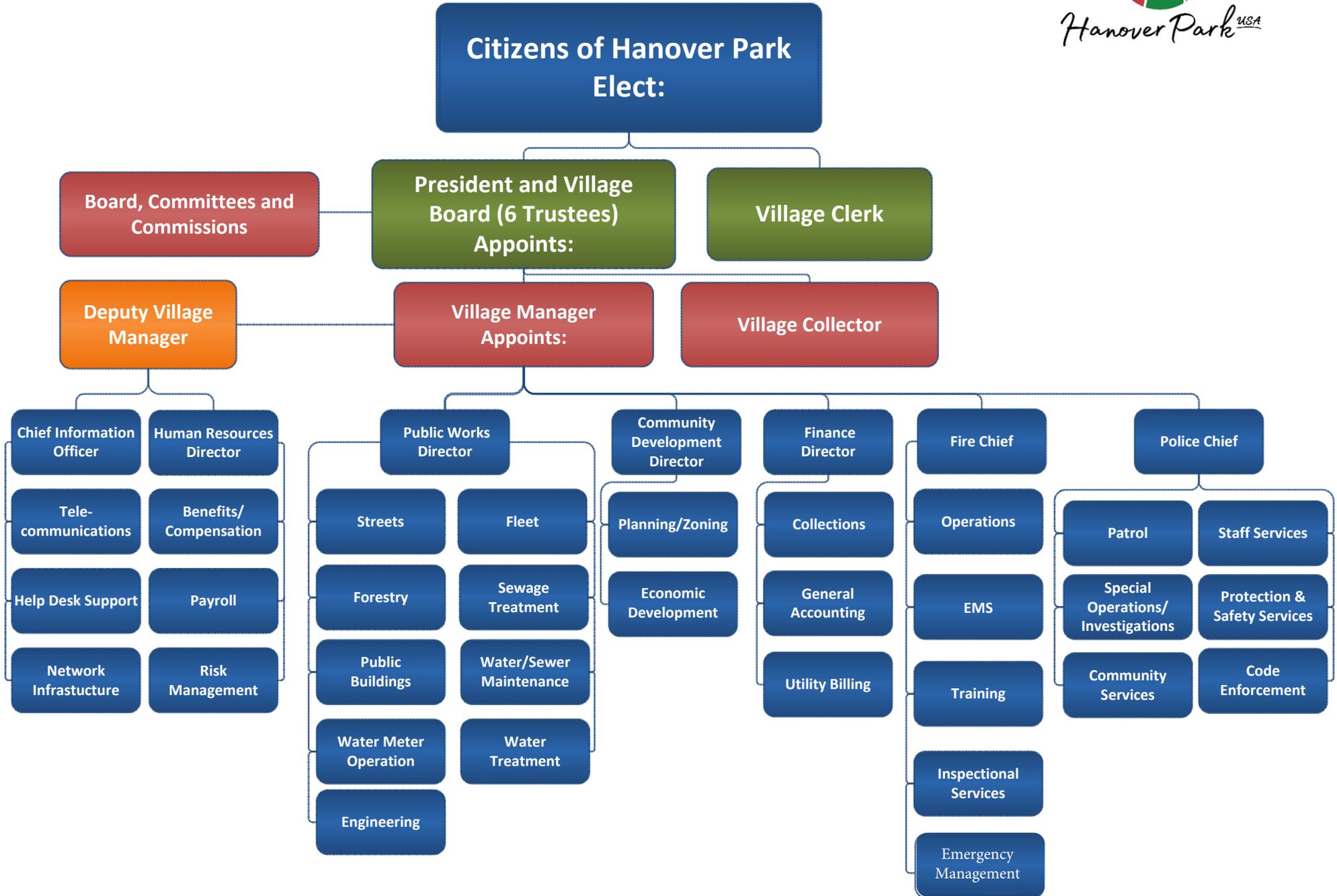
**ADMINISTRATIVE**

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, 2019

*Christopher P. Morill*

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](http://hpil.org)

**Village President**  
Rodney S. Craig

**Village Clerk**  
Kristy Merrill

**Trustees**  
Yasmeen Bankole  
Liza Gutierrez  
Syed Hussaini  
James Kemper  
Herb Porter  
Bob Prigge

**Village Manager**  
Juliana A. Maller

July 2, 2021

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, 2020, 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, 2020.

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, 2020. 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 has 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. A capital grant (Build Illinois Bond fund) was awarded to the Village in 2019 for \$1,042,000 to make further improvements to the site. Work expected to begin in late 2021 or spring of 2022.

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 31<sup>st</sup> of each fiscal year. The legal level of budgetary control is at the fund level.

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

There were 200 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2020 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**

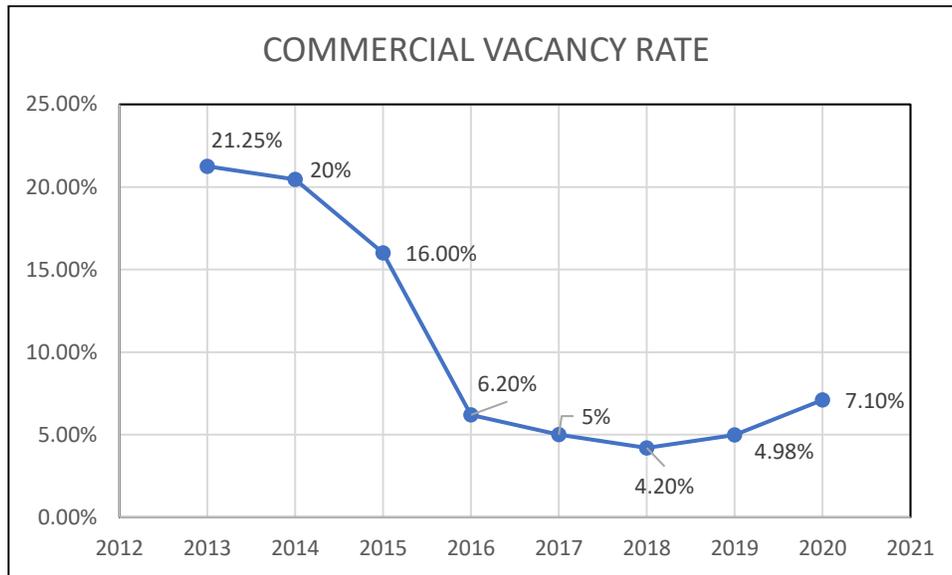
The Village of Hanover Park is home to almost 400 businesses, ranging from large international businesses to ‘mom-and-pop’ shops. There is more than 5,000,000 sq. ft. of Class A industrial development located in three Business Parks within the Village and 23 shopping centers ranging in size from 6,000 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”.

2020 was an active development year for the Village with two new three-lot commercial subdivisions approved at NWC of Lake & Gary and at the NEC of Lake & Bartels. A PUD and subdivision for a 20-unit townhome development at Wise and Farmstead was approved as well. The Village welcomed 25 new businesses in 2020 including Chicago Electric (robotics), Halcones Boots, and four new restaurants (My Taco Express, My Polish Deli, San Marcos Mexican Grill, and Kolachi Tandoori Grill) which reflect our diversity and strengthens our “Global Village” brand.

In 2020 the Village saw just over \$6.2M worth of private investment made in the business community, including the final work on the remodeled Hanover Park Menards; new facility for EFC International, a global supplier of fasteners; Chicago Electric; several salons (Lotus Hair & Beauty, Bordeaux Salon, DiTuri Group); several internet based wholesale businesses (Begum C, Polished Punk, Devices Inc, and Smartskin); a new location for Diamond Jewelry & Loan, US Taekwondo Academy, and Tax & Beyond. The inline portion of the

Village's largest shopping center, Westview Plaza was sold to the anchor tenant, Tony's Finer Foods. Permit review for businesses to open in 2020 included Smoothie King, Dd's Discount, Galaxy Smoke Shop, Karaka Seafood Grill, and Tameria y Restaurante Los Biscochos.

The Village commercial vacancy rate has been reduced from over 21.25% in 2013 to 4.98% in 2019. Please note that in 2020, our retail vacancy increased to 7.1%, with the impact of the pandemic. 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 \$11,689,029 or 100.13% of the budgeted amount that shows an increase of \$14,829 from budget to actual in FY2020 due to prior year tax levy collected in FY2020.
- **Telecommunication Tax** – the Village has collected \$360,981 or 116.45% of the budgeted amount that shows an increase of \$50,981 from budget to actual in FY2020. 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 \$964,730 or 96.47% of the budgeted amount that shows a decrease of \$35,270 from budget to actual in FY2020. Taxes are generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Natural Gas Tax** – the Village has collected \$415,263 or 87.42% of the budgeted amount that shows a decrease of \$59,737 from budget to actual in FY2020. 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 \$8,976,874 or 124.68% of the budgeted amount that shows an increase of \$1,776,874 from budget to actual in FY2020 due to essential companies remaining open during the pandemic increasing their sales in FY2020. This revenue is based on the dollar amount of purchased tangible merchandise within the Village.
- **Municipal Automobile Rental Tax** – the Village has collected \$7,966 or 63.72% of the budgeted amount which shows a decrease of \$4,534 from budget to actual in FY2020 due to COVID-19 pandemic. 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 \$6,038,100 or 126.32% of the budgeted amount that shows an increase of \$1,258,100 from budget to actual in FY2020 due to essential companies remain opened during the pandemic increasing their sales in FY2020. 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 \$38,360 or 86.20% of the budgeted amount that shows a decrease of \$6,140 from budget to actual in FY2020 due to COVID-19 pandemic. 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 \$1,695,618 or 139.56% of the budgeted amount that shows an increase of \$480,618 from budget to actual in FY2020. 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 \$1,285,026 or 111.74% of the budgeted amount that shows an increase of \$135,026 from budget to actual in FY2020 even during COVID-19, and restriction from the tier 3 resurgence mitigation plan signed by Governor Pritzker on November 17, 2020, effective November 19, 2020, for bars and restaurant. This is an imposed tax of 3% upon the purchase of alcoholic liquor, food, and beverage at any retail food facility within the Village.
- **Cannabis Use Tax** - the Village has collected \$29,616 or 100% of the budgeted amount. This is a state excise tax on all adult-use cannabis sales, a portion of which is allocated to local governments based on population. These funds must be used to fund crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market, and driving under the influence of cannabis.

- **Real Estate Transfer Tax** –the Village has collected \$567,272 or 147.34% of the budgeted amount that shows an increase of \$182,272 from budget to actual in FY2020 due to low interest rates. A lot of people are purchasing houses and took advantage of the lower interest rate during COVID-19 pandemic. 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.
- **State Income Tax** – the Village has collected \$4,126,485 or 108.59% of the budgeted amount shows an increase of \$326,485 from budget to actual in FY2020. This revenue is based on a portion of State Income Tax receipts distributed to the Village on a per-capita basis (population).
- **Licenses and Permits** – the Village has collected \$1,086,561 or 89.39% of the budgeted amount that shows a decrease of \$128,980 from budget to actual in FY2020. This revenue is based on number of construction and remodeling permits, business licenses and liquor licenses renewals, solid waste, and cable franchise fees. Due to the COVID-19 pandemic, the Village issued an emergency declaration to suspend the collection or imposing of a late fee to businesses.
- **Charges for Services** – the Village has collected \$1,698,259 or 89.18% of the budgeted amount that shows a decrease of \$206,141 from budget to actual in FY2020 due to the COVID-19 pandemic that the Village issued an emergency declaration to suspend the collection or imposing a late fee to businesses and impound ticket issuance. Revenues included in the total are ambulance fees, vehicle impound fees, plan review fees, registration of defaulted mortgage and vacant property (foreclosure fee), plan reviews, and rental income.
- **Fines and Forfeits** – the Village has collected \$1,028,195 or 130.30% of the budgeted amount which that shows an increase of \$239,095 from budget to actual in FY2020 which is attributed to Debt Recovery Program (IDROP) collection. Due to the COVID-19 pandemic, the Village issued an emergency declaration to suspend the collection or imposing a late fee to businesses, issuing parking or ordinance violation. Revenues included in the total are traffic fines, police and fire false alarms, adjudication hearing process for Ordinance violations, and red-light camera fines.
- **Personal Property Tax** – the Village has collected \$90,327 or 112.91% of the budgeted amount that shows an increase of \$10,327 from budget to actual in FY2020. 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.
- **Intergovernmental** – the Village has collected \$1,341,655 or 953.29% of the budgeted amount that shows an increase of \$1,200,916 from budget to actual in FY2020. Grant from COVID-19 CARES ACT Relief from Cook County for \$263,481, relief from DuPage County for \$912,228, Health and Human Services (CARES ACT) for \$18,846, a one-time 2020 census grant for \$73,824, reimbursement from DuPage County mowing charges, State reimbursement program for police training, Sustained Traffic Enforcement Program (STEP) reimbursement.

- **Investment Income** – the Village has collected \$153,261 or 54.54% of the budgeted amount that shows a decrease of \$127,740 from budget to actual in FY2020. The decrease is due to the first quarter of 2020 market crash driven by the rapid spread of Coronavirus around the world. CD's had rates in the upper 2% last year compared to .05% this year, Money market account from 1.75% to .02% this year.
- **Miscellaneous Revenue** - the Village has collected \$350,157 or 118.84% of the budgeted amount that shows an increase of \$55,500 from budget to actual in FY2020. Revenues included in the total are bullet proof vest reimbursement, hazardous materials, corporate partnership program, and reimbursement checks from the Village's risk management company IRMA.

The Village's equalized assessed valuation increased by \$88.4 million, or 14.17%, from \$624.4 million in the 2018 levy year to \$712.9 million in the 2019 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>
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%
2019	\$712,977,924	\$88,488,625	14.17%

## Long-Term Financial Planning and Relevant Financial Policies

The unrestricted, unassigned fund balance of the General Fund continues to exceed 40% 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-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%
31-Dec-20	\$28,830,428	40,166,737**	71.78%

\*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 \$40,166,737 is the adopted budget of General Fund for FY2021.

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 2020 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 2020. The Village, with its budgeted full-time staffing of 200, 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 2018 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. However, it increased to 7.1% in 2020 due to the pandemic.
- The Village acquired Hanover Square in December 2011 to gain control of this property that was a blighting influence on the area, due to deferred maintenance and vacancies. The property was acquired for \$2.8m using TIF 3 funds, with the intent to rejuvenate the center and return it to the private sector. Several improvements have been accomplished including a façade update, parking lot improvements, replacement of most of the roof, installation of landscaping, and interior tenant space buildout. 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 ongoing property maintenance issues. This has helped reduce vacancy from 40% to about 20%. 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. Please note that Family Dollar closed this location in January 2020.
- The Village Center TIF 3 was amended (to include south commuter lots) and extended (by additional 12 years)
- Village Center Streetscape Improvements were design and installed along Ontarioville and Devon Ave. Overhead wires were buried and aesthetic improvements including a new plaza and park provide a well-designed public open space system around the Metra Station.
- Several townhomes were sold, and families moved into the new Verandah senior housing development, located at 900 Irving Park Road. 5 or more of the townhome buildings have been completed and building plans are under review for additional structures. The overall project calls for a 215-unit senior housing development with 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 (located on Barrington Road) undertook a major expansion to the lumber warehouse building in 2019, including improved landscaping, and a public amenity at Irving Park Rd. and Kingsbury Dr. The new and expanded warehouse opened in Summer 2020. Sales were strong during the pandemic.
- Construction continues for Habitat for Humanity townhomes, off Greenbrook Blvd.

- Utilities were installed and building pads prepped for the new commercial and industrial development on the vacant 23-acres at the NW corner of Lake Street and Gary Ave. The project includes a 215,000 sq. ft. ‘spec’ industrial building, a new fuel station/convenience store, and a multi-tenant retail building.
- Hanover Park added several new restaurants true to its tagline of being a Global Village! New restaurants in 2020 include My Taco Express, My Polish Deli, San Marcos Mexican Grill, and Kolachi Tandoori Grill.
- Economic Development: In-person events for business were placed on hold after the 2020 Pandemic Shelter-in-Place order went into effect. The Village greatly increased outreach to the business community via personal phone calls, emails, and newsletters to inform them of covid related guidelines, restrictions, and sources of assistance. The Annual Small Business Forum, quarterly Business Education Seminars on Technology (BEST) and two “Town Halls” for Businesses were held virtually.
- Village Business Assistance Program: A three-pronged Business Assistance Program was created to help our small businesses by 1) providing free logo-branded sandwich board signs and banners to alert customers that their businesses were open during the shelter-in-place orders; 2) Free website assistance to boost online presence during the pandemic; and 3) enabling outdoor dining for our restaurants.
  - ✓ 78 sandwich board signs were provided by the Village, at no cost to the businesses
  - ✓ 75 (We are Open) banners were provided by the Village at no cost to the businesses
  - ✓ 8 businesses took advantage of the free website/online marketing grants.

### **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, 2019. This was the 30<sup>th</sup> 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 2020 budget document. This was the 28<sup>th</sup> 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,

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

Juliana Maller  
Village Manager

## **FINANCIAL SECTION**

This section includes:

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

**INDEPENDENT AUDITOR'S REPORT**

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

**SIKICH.COM**

## **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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 30, 2021 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 30, 2021

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**Village of Hanover Park, Illinois**  
**Management's Discussion and Analysis**  
**December 31, 2020**

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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 resources of the Village of Hanover Park exceeded its liabilities and deferred inflows of resources by \$102,006,650 (net position) as of December 31, 2020. The unrestricted net position has a positive balance of \$2,458,345 may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's Total Net Position increased by \$11,242,784 to \$102,006,650 as of December 31, 2020.
- During the year, government-wide revenues before transfers for the governmental and business-type activities totaled \$61,562,211 while expenses totaled \$50,319,427 resulting in the increase of net position in the amount of \$11,242,784.
- The Village's combined governmental funds ending fund balance increased by \$5,384,961 to \$41,145,950 as of December 31, 2020.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$28,830,428 or 71.78% of General Fund Fiscal Year 2021. The annualized budgeted expenditures and other financing uses totaled \$40,166,737.
- The Village's total long-term debt including pension obligation (GASB 68 & GASB 75) and compensated absences liability decreased by \$3,649,782 to \$73,716,126 compared to FY2019 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 4-7 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 19 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 8-11 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 12-16 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 17-18 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 19-77 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.
- 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.

(See independent auditor's report)

**Village of Hanover Park, Illinois**  
**Management's Discussion and Analysis**  
**December 31, 2020**

- 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 as of December 31, 2020, compared to December 31, 2019:

<b>Village of Hanover Park</b>						
<b>Statement of Net Position as of December 31, 2020</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and Other Assets	\$ 73,281,892	\$ 66,012,089	\$ 13,496,128	\$ 13,522,040	\$ 86,778,020	\$ 79,534,129
Capital Assets	77,411,720	74,159,219	24,261,288	23,624,289	101,673,008	97,783,508
<b>Total Assets</b>	<b>150,693,612</b>	<b>140,171,308</b>	<b>37,757,416</b>	<b>37,146,329</b>	<b>188,451,028</b>	<b>177,317,637</b>
<b>Deferred Outflows</b>						
Pension Obligation	10,364,761	11,562,640	1,538,678	2,198,766	11,903,439	13,761,406
<b>Total Assets and Deferred Outflows of Resources</b>	<b>161,058,373</b>	<b>151,733,948</b>	<b>39,296,094</b>	<b>39,345,095</b>	<b>200,354,467</b>	<b>191,079,043</b>
<b>Liabilities</b>						
Current Liabilities	6,472,081	5,907,760	984,889	946,048	7,456,970	6,853,808
Long-Term Liabilities	70,387,627	72,849,520	3,328,499	4,516,388	73,716,126	77,365,908
<b>Total Liabilities</b>	<b>76,859,708</b>	<b>78,757,280</b>	<b>4,313,388</b>	<b>5,462,436</b>	<b>81,173,096</b>	<b>84,219,716</b>
<b>Deferred Inflows</b>						
Deferred Property Taxes	13,602,640	13,670,334	-	-	13,602,640	13,670,334
Deferred Pension items	2,711,333	1,964,070	860,748	461,057	3,572,081	2,425,127
<b>Total Liabilities and Deferred Inflows</b>	<b>93,173,681</b>	<b>94,391,684</b>	<b>5,174,136</b>	<b>5,923,493</b>	<b>98,347,817</b>	<b>100,315,177</b>
<b>Net Position</b>						
Net Investment in						
Capital Assets	64,256,664	59,646,563	24,261,288	23,624,289	88,517,952	83,270,852
Restricted	11,030,353	11,225,970	-	-	11,030,353	11,225,970
Unrestricted	(7,402,325)	(13,530,269)	9,860,670	9,797,313	2,458,345	(3,732,956)
<b>Total Net Position</b>	<b>\$ 67,884,692</b>	<b>\$ 57,342,264</b>	<b>\$ 34,121,958</b>	<b>\$ 33,421,602</b>	<b>\$ 102,006,650</b>	<b>\$ 90,763,866</b>

**Village of Hanover Park, Illinois**  
**Management's Discussion and Analysis**  
**December 31, 2020**

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As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$102,006,650 as of December 31, 2020. The largest portion of the Village's net position reflects its investment in capital assets of \$88,517,952 or 86.78%. 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 \$11,030,353 or 10.81% represents resources that are subject to external restrictions on how they may be used. The positive balance of unrestricted net position \$2,458,345 or 2.41% may be used to meet the Village's ongoing obligations to citizens and creditors.

The net position of governmental activities totaled \$67,884,692. It showed an increase of 18.39% from Fiscal Year 2019.

The net position of business-type activities totaled \$34,121,958. It showed an increase of 2.10% from Fiscal Year 2019.

The unrestricted net position of \$9,860,670 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its commuter parking programs. For more detailed information see the Statement of Net Position on pages 4-5.

## **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.).

(See independent auditor's report)

- 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, 2020**

Following is a table that summarizes the changes in net position of the Village of Hanover Park as of December 31, 2020, compared to December 31, 2019:

<b>Village of Hanover Park</b>						
<b>Changes in Net Position as of December 31, 2020</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 4,021,050	\$ 8,225,336	\$ 10,539,463	\$ 10,573,726	\$ 14,560,513	\$ 18,799,062
Operating Grants	3,757,088	1,831,037	-	-	3,757,088	1,831,037
Capital Grants	-	-	-	-	-	-
General Revenues						
Property Taxes	16,203,849	16,811,936	-	-	16,203,849	16,811,936
Sales & Local Use Tax	16,710,593	13,223,903	-	-	16,710,593	13,223,903
Utility Taxes	1,740,974	1,854,237	-	-	1,740,974	1,854,237
Other Taxes	2,203,104	2,178,732	-	-	2,203,104	2,178,732
Intergovernmental	4,220,292	4,143,494	-	-	4,220,292	4,143,494
Other Revenue	511,115	1,021,532	1,654,683	1,831,767	2,165,798	2,853,299
Total Revenues	<u>49,368,065</u>	<u>49,290,207</u>	<u>12,194,146</u>	<u>12,405,493</u>	<u>61,562,211</u>	<u>61,695,700</u>
Expenses						
General Government	5,796,773	5,296,307	-	-	5,796,773	5,296,307
Public Works	4,396,004	5,533,768	-	-	4,396,004	5,533,768
Public Safety	22,301,152	23,384,681	-	-	22,301,152	23,384,681
Community Development	5,149,348	4,082,104	-	-	5,149,348	4,082,104
Highways and Streets	881,961	700,207	-	-	881,961	700,207
Interest	323,799	819,786	-	-	323,799	819,786
Water and Sewer	-	-	11,129,895	11,262,405	11,129,895	11,262,405
Commuter Parking Lot	-	-	340,495	390,377	340,495	390,377
Total Expenses	<u>38,849,037</u>	<u>39,816,853</u>	<u>11,470,390</u>	<u>11,652,782</u>	<u>50,319,427</u>	<u>51,469,635</u>
Change in Net Position						
before Transfers	10,519,028	9,473,354	723,756	752,711	11,242,784	10,226,065
Net Transfers	23,400	-	(23,400)	-	-	-
Change in Net Position	<u>10,542,428</u>	<u>9,473,354</u>	<u>700,356</u>	<u>752,711</u>	<u>11,242,784</u>	<u>10,226,065</u>
Net Position, January 1	57,342,264	47,817,685	33,421,602	32,835,773	90,763,866	80,653,458
Prior Period Adjustment	-	51,225	-	(166,882)	-	(115,657)
Change in Accounting Principle	-	-	-	-	-	-
Net Position, January 1 RESTATEMENT	<u>57,342,264</u>	<u>47,868,910</u>	<u>33,421,602</u>	<u>32,668,891</u>	<u>90,763,866</u>	<u>80,537,801</u>
Net Position, December 31	<u>\$ 67,884,692</u>	<u>\$ 57,342,264</u>	<u>\$ 34,121,958</u>	<u>\$ 33,421,602</u>	<u>\$ 102,006,650</u>	<u>\$ 90,763,866</u>

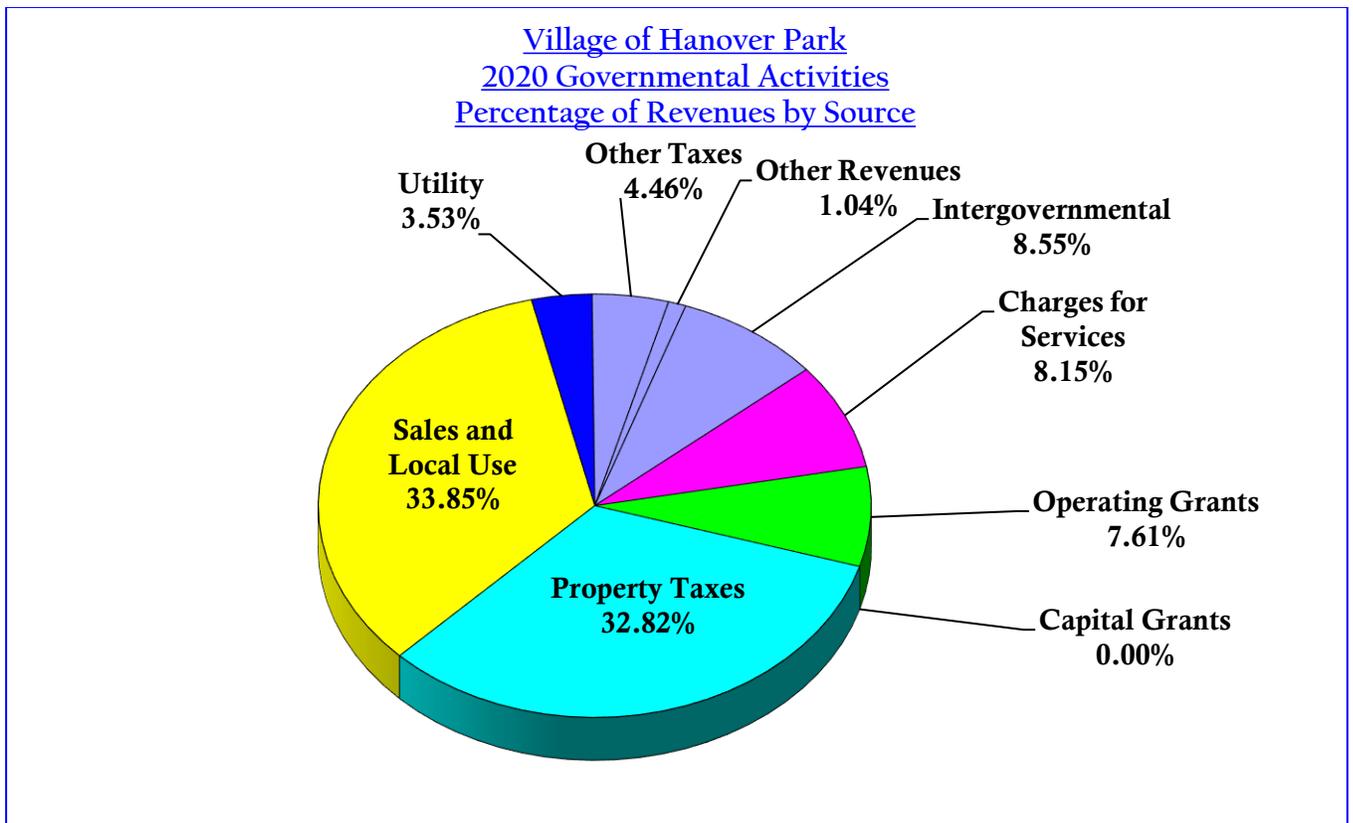
**Village of Hanover Park, Illinois**  
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Net position of the Village's governmental activities increased by 18.39% or \$10,542,428 (\$67,884,692 in 2020 compared to \$57,342,264 in 2019 restated). Net position of business-type activities increased by 2.10% or \$700,356 (\$34,121,958 in 2020 compared to \$33,421,602 in 2019 restated). Key elements contributing to this net change are as follows:

**Governmental Activities**

***Revenues***

Revenues for governmental activities totaled \$49,368,065 and \$49,290,207 for 31<sup>st</sup> December 2020 and 31<sup>st</sup> December 2019 respectively. This is an increase of \$77,858.



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

- Charges for services revenues decreased by \$4,204,286 compared to prior year due to the Village issuing an emergency declaration in response to the COVID-19 pandemic to suspend the collection of or imposing of a late fee to businesses and impound ticket issuance, and implementation of GASB 90 to record the Equity Interest in Hanover Square LLC.

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- Operating grants revenues increased by \$1,926,051 compared to prior year due to COVID-19 CARES ACT Relief from Cook County and DuPage County, Health and Human Services funding (CARES ACT), and a one-time 2020 census grant.
- Property taxes revenues decreased by \$608,087 compared to prior year due to COVID-19, Cook County extended the due date to October 1, 2020, before late fee interest was charged. DuPage county extended the due date of the first installment to September 1, 2020, before late fee interest was charged.
- Sales and Local Use Tax increased by \$3,486,690 compared to prior year due to a general increase in retail sales and sales generated by retailers located in the Village. The Village is fortunate that our sales taxes remained strong during the pandemic.
- Utility Taxes decreased by \$113,263 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. In addition due to COVID-19, many customers lost their jobs and were not able to pay their electric and natural gas bills.
- Other Taxes increased by \$24,372 compared to prior year due to food & beverage tax, real estate transfer tax, which offset the decreased in gasoline tax, video gaming taxes affected by COVID-19 “Shelter in Place” ordered by the Governor which took effect on March 21, 2020, at 5:00PM.
- Other Revenues decreased by \$510,417 compared to prior year due to investment income, the first quarter of 2020 reduction driven by the rapid spread of Coronavirus around the world. CD’s had rates in the upper 2% last year compared to .05% this year, Money market account decreased from 1.75% to .02% this year.
- Intergovernmental revenues increased by \$76,798 compared to prior year even with COVID-19.

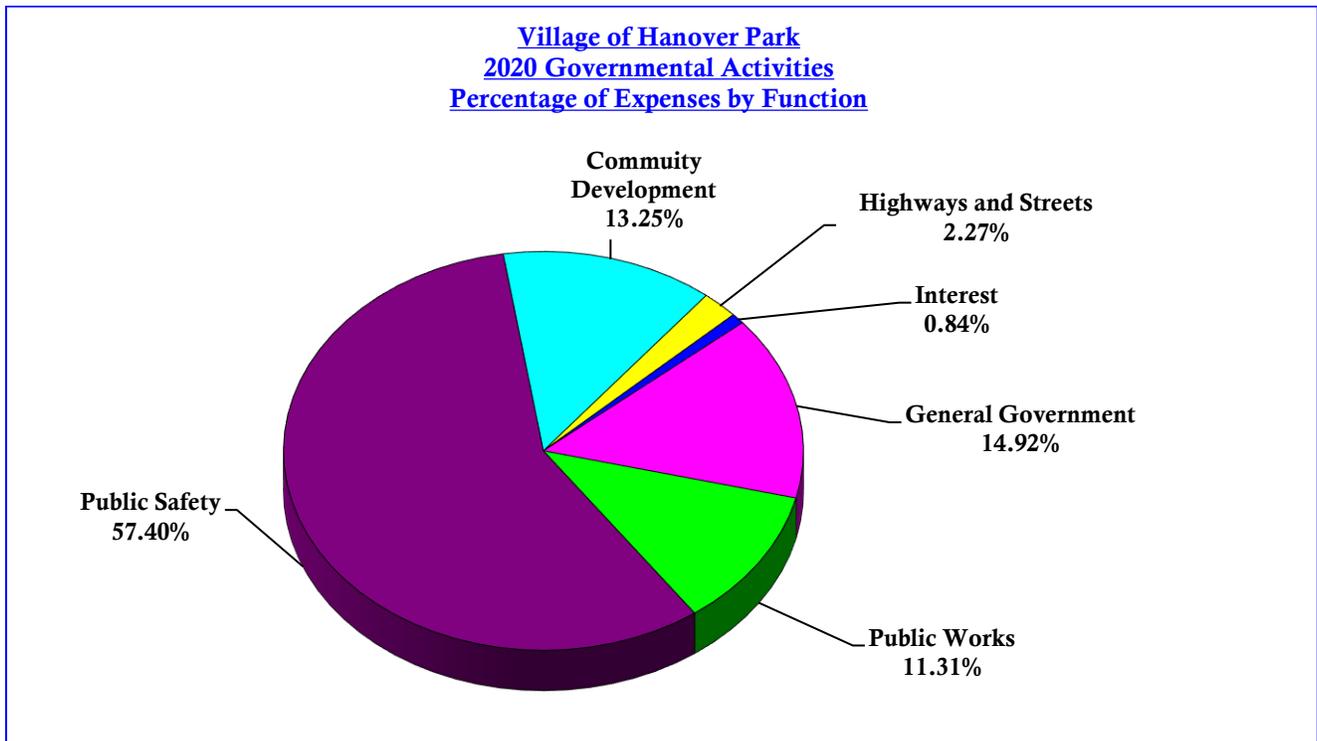
<u>Village of Hanover Park</u>				
<u>Changes in Select Governmental Activities Revenues</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
Property Tax	\$ 16,203,849	\$ 16,811,936	\$ (608,087)	-3.62%
Sales and Use Tax	16,710,593	13,223,903	3,486,690	26.37%
Charges for Services	4,021,050	8,225,336	(4,204,286)	-51.11%
Operating Grants & Contribution	3,757,088	1,831,037	1,926,051	105.19%
Utility Taxes	1,740,974	1,854,237	(113,263)	-6.11%
Other Taxes	2,203,104	2,178,732	24,372	1.12%
Intergovernmental	4,220,292	4,143,494	76,798	1.85%
Other Revenues	511,115	1,021,532	(510,417)	-49.97%
<b>Total Revenues</b>	<b>\$ 49,368,065</b>	<b>\$ 49,290,207</b>	<b>\$ 77,858</b>	<b>0.16%</b>

(See independent auditor's report)  
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**Village of Hanover Park, Illinois**  
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***Expenses***

For the year ending December 31, 2020, governmental expenses totaled \$38,849,037. There is a decrease of \$967,816 or 2.43% from the 2019 expenses of \$39,816,853. Due to COVID-19 and the uncertainty of the revenue flow, major projects, employees training, and hiring were put on hold until we had a clearer picture on where we were at with revenues. Village management closely monitored expenditures to make sure we were within budget.



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

	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
General Government	\$ 5,796,773	\$ 5,296,307	\$ 500,466	9.45%
Public Works	4,396,004	5,533,768	(1,137,764)	-20.56%
Public Safety	22,301,152	23,384,681	(1,083,529)	-4.63%
Community Development	5,149,348	4,082,104	1,067,244	26.14%
Highways and Streets	881,961	700,207	181,754	25.96%
Interest	323,799	819,786	(495,987)	-60.50%
<b>Total Expenditures</b>	<b>\$38,849,037</b>	<b>\$39,816,853</b>	<b>\$ (967,816)</b>	<b>-2.43%</b>

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**Business-Type Activities**

Business-type activities posted total revenues of \$12,194,146 while the cost of all business-type activities totaled \$11,470,390. There is a surplus of \$723,756. In 2019, revenues of \$12,405,493 and expenses of \$11,652,782 showed a surplus of \$752,711.

***Revenues***

Proprietary Fund, for the fiscal year ending December 31, 2020, revenues for the business-type activities totaled \$12,194,146, showing a decrease of \$211,347, or 1.70% from FY2019. This is due to Municipal Railroad Commuter Lot Fund, a decrease in users of parking spaces attributed to the COVID-19 pandemic.

Waterworks & Sewerage increased by \$12,745 or 0.11% compared to prior year due to COVID-19 pandemic and the “Shelter in Place” order by Governor Pritzker, water & sewer consumption increased.

Commuter Parking decreased by \$224,092 or 54.68% compared to prior year due to decrease in commuter riders in FY2020 due to COVID-19 pandemic. (The rates are as follows: \$1.75 daily parking fee; \$35.00 monthly parking fee).

<u>Village of Hanover Park</u>				
<u>Business-Type Activities Operating Revenues</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
Waterworks & Sewerage	\$ 12,008,415	\$ 11,995,670	\$ 12,745	0.11%
Municipal Railroad Parking Lot	185,731	409,823	(224,092)	-54.68%
<b>Total Business-Type Activities</b>	<b>\$ 12,194,146</b>	<b>\$ 12,405,493</b>	<b>\$ (211,347)</b>	<b>-1.70%</b>

***Expenses***

Expenses for the year ending December 31, 2020, totaled \$11,470,390. It shows a decrease of \$182,392 or 1.57% over the FY2019 expenses of \$11,652,782. The decrease is due to COVID-19 and the uncertainty of revenues, major projects, employee training, and hiring were put on hold until we had a clear picture on where we were at with revenues.

<u>Village of Hanover Park</u>				
<u>Business-Type Activities Operating Expenditures</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
Waterworks & Sewerage	\$ 11,129,895	\$ 11,262,405	\$ (132,510)	-1.18%
Municipal Railroad Parking Lot	340,495	390,377	(49,882)	-12.78%
<b>Total Business-Type Activities</b>	<b>\$ 11,470,390</b>	<b>\$ 11,652,782</b>	<b>\$ (182,392)</b>	<b>-1.57%</b>

**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 \$41,145,950 which is \$5,384,961 or 15.06%, higher than last year's total of \$35,760,989. Of the \$41,145,950 total, \$28,830,428 or approximately 70.07% of the fund balance constitutes unassigned fund balance.

**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 \$5,275,540 to \$28,859,877 of which \$28,830,428 is the unrestricted amount. The increase is due primarily to higher-than-expected sales-related taxes offset by lower-than-expected expenditures and 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. The Village is fortunate that even with the COVID-19 crisis our revenues remain stable. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 40% 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 2017 - 2020</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>
Revenues and Transfers	\$34,573,362	\$36,512,715	\$38,131,184	\$41,943,735
Expenditures and Transfers	32,938,294	35,553,156	36,955,535	36,668,195
Results of Operations	<u>1,635,068</u>	<u>959,559</u>	<u>1,175,649</u>	<u>5,275,540</u>
Fund Balance - Beginning	<u>\$19,814,061</u>	<u>\$21,449,129</u>	<u>\$22,408,688</u>	<u>\$23,584,337</u>
Fund Balance - Ending	<u>\$21,449,129</u>	<u>\$22,408,688</u>	<u>\$23,584,337</u>	<u>\$28,859,877</u>
Reserved/Nonspendable and Restricted	324,481	293,222	192,354	29,449
Unrestricted/Unassigned	<u>21,124,648</u>	<u>22,115,466</u>	<u>23,391,983</u>	<u>28,830,428</u>
Total Fund Balance	<u>\$21,449,129</u>	<u>\$22,408,688</u>	<u>\$23,584,337</u>	<u>\$28,859,877</u>
Unrestricted/Unassigned Fund Balance as a Percentage of Budgeted Expenditures*	61.00%	60.16%	62.89%	71.78%

\*2020 Unrestricted/Unassigned Fund Balance % of budget expenditures for FY2021 of \$40,166,737

Village of Hanover Park, Illinois  
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**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 \$793,097. Due to COVID-19 pandemic and the “Shelter in Place” order by Governor Pritzker, the motor fuel tax allotment decreased by \$168K. On the other hand, we received \$834,194 (not included in the budget) from Rebuild Illinois Bond Grant.

**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, 2020, the Tax Increment Financing # 3 reported revenues less than expenditures by \$1,437,254 due to the Village Center Streetscape program.

**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 and the Commuter Parking Lot Fund. 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 2020. Total operating revenues were \$12,008,415 versus \$11,153,295 (including transfer-out of \$23,400) in operating expenditures. As of December 31, 2020, the overall net position in this fund increased by \$855,120.

<u>Village of Hanover Park</u>				
<u>Waterworks and Sewerage Fund Revenues</u>				
	FISCAL YEAR		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
Water Sales	\$ 7,032,220	\$ 6,727,404	\$ 304,816	4.53%
Sewer Sales	2,764,977	2,641,083	123,894	4.69%
Leachate Treatment	321,838	395,172	(73,334)	-18.56%
Interest	77,679	248,126	(170,447)	-68.69%
Other Revenues	1,811,701	1,983,885	(172,184)	-8.68%
Total	<u>\$ 12,008,415</u>	<u>\$ 11,995,670</u>	<u>\$ 12,745</u>	<u>0.11%</u>

**Village of Hanover Park, Illinois**  
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The Commuter Parking Lot Fund actual expenditures exceeded actual revenues in Fiscal Year 2020. Total operating expenditures were \$340,495 versus \$185,731 in operating revenues. The overall net position in this fund as of December 31, 2020, a decreased by \$154,764. The decrease is due to the COVID-19 pandemic, and the “Shelter in Place” order by Governor which took effect on March 21, 2020 at 5:00PM.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During 2020, the Village Board approved a budget amendment to increase the budget by \$54,600 for the purchase of four (4) column vehicle hoists to replace the aging and out of code vehicle lift. The fund then transferred the amount to Central Equipment Fund to make the purchase.

General Fund actual revenues (including other financing sources) for the year totaled \$41,943,735 compared to budgeted revenues of \$36,821,725. It shows a difference of \$5,122,010. This is due to property taxes, general sales and use taxes, real estate transfer stamps, cannabis (not included in the budget), prepared food and beverage tax, state income tax, fines and forfeits, and grants (due to COVID-19 pandemic- CARES act), that exceeded budget projection by \$5,621,543. Licenses, permits, fees, investment income, and other miscellaneous revenues that were under budget by \$499,532 due to COVID-19 pandemic. As mentioned before, the Village is very fortunate that at the end of the year, total revenues exceeded the budgeted amount, while in the midst of COVID-19 pandemic.

The General Fund actual expenditures (including other financing uses) for the year totaled \$36,668,195. This is \$580,408 or 1.58% lower than final budgeted expenditures of \$37,248,603. The community department exceeded their budgeted amount due to a tax incentive payment. Due to COVID-19 and the uncertainty of the revenue flow, major projects, employee training, and hiring were put on hold until we had a clear picture on where we were with revenues. 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.

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<u>Village of Hanover Park</u> <u>General Fund Budgetary Highlights</u>				
	<b>2020 Original Budget</b>	<b>2020 Final Budget</b>	<b>Actual</b>	
			<b>2020</b>	<b>2019</b>
Revenues	\$36,751,637	\$36,751,637	\$41,943,735	\$38,131,184
Expenditures	35,999,459	35,999,459	35,419,051	33,786,193
Excess of Revenues over Expenditures	752,178	752,178	6,524,684	4,344,991
Other Financing Sources	70,088	70,088	-	-
Other Financing (Uses)	(1,194,544)	(1,249,144)	(1,249,144)	(3,169,342)
Net Change in Fund Balance	<b>(372,278)</b>	<b>(426,878)</b>	\$5,275,540	\$1,175,649

**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, 2020, was \$101,673,008 (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	\$ -
Buildings	-
Machinery, equipment and vehicles	1,270,864
Improvement other than Buildings	-
Infrastructures	1,647,738
Underground systems	1,952,313
Total	<u>\$ 4,870,915</u>

**Village of Hanover Park, Illinois**  
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<b>Village of Hanover Park Capital Assets (Net of Depreciation)</b>						
	Governmental Activities		Business-Type Activities		Primary Government Total	
	2020	2019	2020	2019	2020	2019
Land, ROW, Permanent Easements	\$29,626,642	\$29,626,642	\$ 2,254,634	\$ 2,254,634	\$ 31,881,276	\$ 31,881,276
Construction in progress	5,078,492	2,020,044	114,697	381,328	5,193,189	2,401,372
Buildings	21,569,325	22,300,821	5,619,978	5,870,622	27,189,303	28,171,443
Machinery, Equipment and Vehicles	8,318,587	8,354,402	773,621	887,739	9,092,208	9,242,141
Improvement other than Buildings	1,442,412	1,584,551	4,367,868	4,705,156	5,810,280	6,289,707
Infrastructure	11,376,262	10,272,759	-	-	11,376,262	10,272,759
Underground systems	-	-	11,130,490	9,524,810	11,130,490	9,524,810
<b>Total</b>	<b>\$77,411,720</b>	<b>\$74,159,219</b>	<b>\$ 24,261,288</b>	<b>\$23,624,289</b>	<b>\$ 101,673,008</b>	<b>\$ 97,783,508</b>

Additional information on the Village's capital assets can be found in Note 4 of this report.

**Long-Term Debt**

The Village's total outstanding debt excluding the net pension liability, IMRF, OPEB, and compensated absences decreased by \$2,865,000 or 19.71% compared to the prior fiscal year. The key factor in this decrease was on February 24, 2020, the Village issued \$12,980,000 General Obligation Refunding Bond Series 2020 to advance refund of the outstanding 2010 General Obligation Bonds of \$7,595,000 (call date February 24, 2020), the outstanding 2010A General Obligation Bonds of \$3,925,000 (call date February 24, 2020), and the outstanding 2011 General Obligation Bonds of \$3,015,000 (call date February 24, 2020). As a result of the refunding, the Village realized a cash flow savings of approximately \$2,157,382 and an economic gain of approximately \$1,954,861. No additional debt was incurred during Fiscal Year 2020.

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 Note 6 of this report.

<b>Village of Hanover Park Outstanding Debt General Obligation Bonds, Revenue Bonds, Loans, and Notes</b>						
	Governmental Activities		Business-Type Activities		Primary Government Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$11,670,000	\$14,535,000	\$ -	\$ -	\$ 11,670,000	\$ 14,535,000
IEPA	-	-	-	-	-	-
<b>Total</b>	<b>\$11,670,000</b>	<b>\$14,535,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,670,000</b>	<b>\$ 14,535,000</b>

## ECONOMIC FACTORS AND FUTURE PROSPECTS

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2021 budget, tax rates, and fees that will be charged for its governmental and business-type activities. Some of those factors include the economy and the COVID-19 pandemic. 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 FY2021 with zero percent (0.00%) 2020 tax levy increase (5<sup>th</sup> year in a row). There is also no water and sewer rate increase (6<sup>th</sup> 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's goal remains 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.

It has been a year and counting that this Novel Coronavirus known as COVID-19 has been declared a global pandemic and 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 municipality as a whole (local government) which relies on a healthy economy for its revenue. As the crisis unfolds, the impact on cities and villages bottom lines will be driven not only by overall economic conditions but specifically the parts of the economy where revenue is generated namely: retail sales tax, income, and wages and property taxes. 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, take the deferred employer social security contribution until December 31, 2020, and cancel all conferences, travel, and special events. The COVID-19 pandemic has reached almost every country in the world. Its spread has left national economies and businesses counting the costs, as governments struggle with lockdown measures to tackle the spread of the virus. Despite the development of new vaccines, many are still wondering what recovery will look like. In the United States, the percentage of the people out of work hit a yearly total of 8.9%. The number of new job opportunities remains low.

On June 11, 2021 the State of Illinois fully reopened, marking an emotional turning point in the pandemic for many who have endured loss and lack of connection in public life. Though the state has moved through different phases of curtailing and restoring activity since the initial stay-at-home order in March 2020, this reopening was the first time there were no capacity restrictions or social distancing mandates for businesses and personal gatherings. Not all COVID-19 health and safety measures are disappearing. Businesses are still advised to allow for social distancing and can require additional precautions (reference Chicago Tribune Staff – What are the guidelines of Phase 5).

**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, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit Hanover Square
<b>ASSETS</b>				
Cash and cash equivalents	\$ 46,817,747	\$ 11,119,554	\$ 57,937,301	\$ 1,002,488
Receivables (net of allowances for uncollectibles)				
Property taxes	13,602,640	-	13,602,640	-
Accounts	473,183	1,244,445	1,717,628	-
Accrued interest	1,699	1,836	3,535	-
Other	-	1,120,367	1,120,367	287,796
Prepaid expenses	23,222	9,926	33,148	50,504
Inventory	24,911	-	24,911	-
Due from other governments	8,172,458	-	8,172,458	-
Net pension asset	264,347	-	264,347	-
Equity interest	3,901,685	-	3,901,685	-
Capital assets				
Nondepreciable	34,705,134	2,369,331	37,074,465	1,017,088
Depreciable (net of accumulated depreciation)	42,706,586	21,891,957	64,598,543	6,094,355
Total assets	150,693,612	37,757,416	188,451,028	8,452,231
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items - IMRF and SLEP	1,575,010	770,319	2,345,329	-
Pension items - Police Pension	4,499,363	-	4,499,363	-
Pension items - Firefighters' Pension	1,704,861	-	1,704,861	-
OPEB items	2,372,305	432,868	2,805,173	-
Unamortized loss on refunding	213,222	-	213,222	-
Asset retirement obligation items	-	335,491	335,491	-
Total deferred outflows of resources	10,364,761	1,538,678	11,903,439	-
Total assets and deferred outflows of resources	161,058,373	39,296,094	200,354,467	8,452,231
<b>LIABILITIES</b>				
Accounts payable	1,366,614	738,122	2,104,736	424,745
Retainage payable	301,651	75,091	376,742	-
Accrued payroll	1,367,896	153,531	1,521,427	-
Accrued interest	39,537	-	39,537	-
Deposits	-	12,300	12,300	-
Unearned revenue	194,172	3,745	197,917	-
Due to other governments	421,742	-	421,742	-
Due to fiduciary funds	40,321	-	40,321	-
Other payables	2,740,148	2,100	2,742,248	-
Long-term liabilities				
Due within one year	1,264,809	52,387	1,317,196	165,032
Due in more than one year	69,122,818	3,276,112	72,398,930	3,960,769
Total liabilities	76,859,708	4,313,388	81,173,096	4,550,546
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	13,602,640	-	13,602,640	-
Pension items - IMRF and SLEP	1,677,921	796,384	2,474,305	-
OPEB items	352,740	64,364	417,104	-
Pension items - Police Pension	560,356	-	560,356	-
Pension items - Firefighters' Pension	120,316	-	120,316	-
Total deferred inflows of resources	16,313,973	860,748	17,174,721	-
Total liabilities and deferred inflows of resources	93,173,681	5,174,136	98,347,817	4,550,546

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2020

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit Hanover Square</b>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 64,256,664	\$ 24,261,288	\$ 88,517,952	\$ -
Restricted for				
Public safety	435,000	-	435,000	-
Highways and streets	2,422,310	-	2,422,310	-
Debt service	485,633	-	485,633	-
Community development	7,269,103	-	7,269,103	-
Special service areas	418,307	-	418,307	-
Unrestricted	(7,402,325)	9,860,670	2,458,345	3,901,685
<b>TOTAL NET POSITION</b>	<b>\$ 67,884,692</b>	<b>\$ 34,121,958</b>	<b>\$ 102,006,650</b>	<b>\$ 3,901,685</b>

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 5,796,773	\$ 1,238,169	\$ 112,580	\$ -
Community development	5,149,348	173,563	-	-
Public safety	22,301,152	2,362,402	1,234,776	-
Public works	4,396,004	246,916	88,490	-
Highways and streets	881,961	-	2,321,242	-
Interest	323,799	-	-	-
Total governmental activities	38,849,037	4,021,050	3,757,088	-
Business-Type Activities				
Water and sewer	11,129,895	10,356,322	-	-
Parking	340,495	183,141	-	-
Total business-type activities	11,470,390	10,539,463	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 50,319,427</b>	<b>\$ 14,560,513</b>	<b>\$ 3,757,088</b>	<b>\$ -</b>
Component unit				
Hanover Square	\$ 1,001,532	\$ 1,119,425	\$ -	\$ -

<b>Net (Expense) Revenue and Change in Net Position</b>				
<b>Primary Government</b>				<b>Component Unit</b>
<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Hanover Square</b>	
<b>Activities</b>	<b>Activities</b>			
\$ (4,446,024)	\$ -	\$ (4,446,024)	\$ -	-
(4,975,785)	-	(4,975,785)	-	-
(18,703,974)	-	(18,703,974)	-	-
(4,060,598)	-	(4,060,598)	-	-
1,439,281	-	1,439,281	-	-
(323,799)	-	(323,799)	-	-
(31,070,899)	-	(31,070,899)	-	-
-	(773,573)	(773,573)	-	-
-	(157,354)	(157,354)	-	-
-	(930,927)	(930,927)	-	-
(31,070,899)	(930,927)	(32,001,826)	-	-
-	-	-	117,893	-
<b>General Revenues</b>				
<b>Taxes</b>				
Property	16,203,849	-	16,203,849	-
Sales and local use	16,710,593	-	16,710,593	-
Utility	1,740,974	-	1,740,974	-
Hotel/motel	38,360	-	38,360	-
Food and beverage	1,285,026	-	1,285,026	-
Real estate transfer	567,272	-	567,272	-
Other taxes	312,446	-	312,446	-
<b>Intergovernmental - unrestricted</b>				
Income tax	4,126,485	-	4,126,485	-
Replacement tax	93,807	-	93,807	-
Investment income	232,320	80,269	312,589	-
Miscellaneous	278,795	1,574,414	1,853,209	-
Transfers	23,400	(23,400)	-	-
<b>Total</b>	<b>41,613,327</b>	<b>1,631,283</b>	<b>43,244,610</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>10,542,428</b>	<b>700,356</b>	<b>11,242,784</b>	<b>117,893</b>
<b>NET POSITION, JANUARY 1</b>	<b>57,342,264</b>	<b>33,421,602</b>	<b>90,763,866</b>	<b>3,783,792</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 67,884,692</b>	<b>\$ 34,121,958</b>	<b>\$ 102,006,650</b>	<b>\$ 3,901,685</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2020

	General	Motor Fuel Tax	Tax Increment Financing #3	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>					
Cash and investments	\$ 26,385,977	\$ 1,253,821	\$ 7,764,874	\$ 4,345,276	\$ 39,749,948
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,946,896	-	-	1,655,744	13,602,640
Accounts	358,162	-	1,371	113,650	473,183
Accrued interest	1,696	-	-	-	1,696
Prepaid items	4,538	-	-	-	4,538
Inventory	24,911	-	-	-	24,911
Due from other governments	8,046,402	126,056	-	-	8,172,458
<b>TOTAL ASSETS</b>	<b>\$ 46,768,582</b>	<b>\$ 1,379,877</b>	<b>\$ 7,766,245</b>	<b>\$ 6,114,670</b>	<b>\$ 62,029,374</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 384,502	\$ -	\$ 565,825	\$ 240,743	\$ 1,191,070
Retainage payable	-	-	293,555	8,096	301,651
Accrued payroll	1,367,896	-	-	-	1,367,896
Unearned revenue	194,172	-	-	-	194,172
Due to other governments	421,742	-	-	-	421,742
Other payables	2,529,392	-	74,433	136,323	2,740,148
Due to fiduciary funds	40,321	-	-	-	40,321
Total liabilities	4,938,025	-	933,813	385,162	6,257,000
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	11,946,896	-	-	1,655,744	13,602,640
Unavailable dividends	1,023,784	-	-	-	1,023,784
Total deferred inflows of resources	12,970,680	-	-	1,655,744	14,626,424
Total liabilities and deferred inflows of resources	17,908,705	-	933,813	2,040,906	20,883,424
<b>FUND BALANCES</b>					
Nonspendable					
Inventory	24,911	-	-	-	24,911
Prepaid items	4,538	-	-	-	4,538
Restricted					
Public safety	-	-	-	435,000	435,000
Highways and streets	-	1,379,877	-	1,042,433	2,422,310
Debt service	-	-	-	485,633	485,633
Community development	-	-	6,832,432	436,671	7,269,103
Special service areas	-	-	-	418,307	418,307
Unrestricted					
Assigned					
Capital improvements	-	-	-	1,255,720	1,255,720
Unassigned	28,830,428	-	-	-	28,830,428
Total fund balances	28,859,877	1,379,877	6,832,432	4,073,764	41,145,950
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 46,768,582</b>	<b>\$ 1,379,877</b>	<b>\$ 7,766,245</b>	<b>\$ 6,114,670</b>	<b>\$ 62,029,374</b>

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

December 31, 2020

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 41,145,950</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	77,411,720
Less amount reported in internal service funds below	(5,633,574)
The equity interest in Hanover Square is included in the governmental activities in the statement of net position	3,901,685
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(11,670,000)
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position	(1,698,795)
Unamortized loss on refundings are not due and payable in the current period and, therefore, are not reported in the governmental funds	213,222
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(39,537)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(996,707)
Net pension asset for the following is shown as an asset on the statement of net position Sheriff's Law Enforcement Personnel Fund	264,347
Net pension liability for the following is shown as a liability on the statement of net position	
Illinois Municipal Retirement Fund	(2,657,388)
Police Pension	(30,158,367)
Firefighters' Pension	(14,848,419)
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	(102,911)
Other Postemployment Benefits	2,019,565
Police Pension	3,939,007
Firefighters' Pension	1,584,545
The total OPEB liability is not due and payable in the current period and, therefore, are not reported in the governmental funds	(8,357,951)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	1,023,784
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>12,544,516</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 67,884,692</u></b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2020

	General	Motor Fuel Tax	Tax Increment Financing #3	Nonmajor Governmental	Total Governmental
<b>REVENUES</b>					
Taxes	\$ 32,068,835	\$ -	\$ 1,873,194	\$ 2,916,490	\$ 36,858,519
Licenses and permits	1,086,561	-	-	56,500	1,143,061
Charges for services	1,698,259	-	-	-	1,698,259
Fines and forfeits	1,028,195	-	-	33,691	1,061,886
Intergovernmental	5,558,467	2,216,077	79,891	12,079	7,866,514
Investment income	153,261	5,588	51,093	22,378	232,320
Miscellaneous	350,157	-	-	39,456	389,613
Total revenues	41,943,735	2,221,665	2,004,178	3,080,594	49,250,172
<b>EXPENDITURES</b>					
Current					
General government	5,214,787	-	-	-	5,214,787
Community development	4,509,847	-	339,223	193,300	5,042,370
Public safety	21,676,009	-	-	43,689	21,719,698
Public works	4,018,408	-	-	-	4,018,408
Highways and streets	-	-	-	910,523	910,523
Capital outlay	-	1,428,568	3,102,209	666,679	5,197,456
Debt service					
Principal retirement	-	-	-	1,310,000	1,310,000
Interest	-	-	-	399,785	399,785
Fiscal charges	-	-	-	99,057	99,057
Total expenditures	35,419,051	1,428,568	3,441,432	3,623,033	43,912,084
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,524,684	793,097	(1,437,254)	(542,439)	5,338,088
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued, at par	-	-	-	12,980,000	12,980,000
Premium on refunding bonds issued	-	-	-	1,868,674	1,868,674
Payment to escrow agent	-	-	-	(14,747,201)	(14,747,201)
Transfers in	-	-	-	1,673,775	1,673,775
Transfers (out)	(1,249,144)	-	-	(479,231)	(1,728,375)
Total other financing sources (uses)	(1,249,144)	-	-	1,296,017	46,873
NET CHANGE IN FUND BALANCES	5,275,540	793,097	(1,437,254)	753,578	5,384,961
FUND BALANCES, JANUARY 1	23,584,337	586,780	8,269,686	3,320,186	35,760,989
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 28,859,877</b>	<b>\$ 1,379,877</b>	<b>\$ 6,832,432</b>	<b>\$ 4,073,764</b>	<b>\$ 41,145,950</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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

For the Year Ended December 31, 2020

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 5,384,961
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	5,040,536
The gain (loss) on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense	(8,964)
Certain revenues are deferred in governmental funds but not in governmental activities	302,712
The change in equity interest in Hanover Square is reported only in the statement of activities	117,893
The repayment and refunding 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	
Principal repaid	1,310,000
Payment to escrow agent	14,747,201
The issuance of bonds is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities	
Refunding bonds issued, at par	(12,980,000)
Premium on refunding bonds issued	(1,868,674)
The decrease in accrued interest payable is shown as a reduction to expense on the statement of activities	26,487
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	(2,657,780)
Amortization	148,556
Less amount reported in internal service funds below	943,924
The change in the compensated absences liability is an expense on the statement of activities	(94,395)
The change in net other postemployment benefits obligations are reported only in the statement of activities	(1,025,889)
The change in the net pension liabilities and assets are reported only in the statement of activities	
Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel Fund	2,843,239
Police Pension	(526,212)
Firefighters' Pension	240,767
The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel Fund	(2,432,875)
Net other postemployment benefits obligations	588,659
Police Pension	77,991
Firefighters' Pension	(392,139)
The change in net position of certain activities of internal service funds is in governmental funds	756,430
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 10,542,428</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2020

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 10,966,665	\$ 152,889	\$ 11,119,554	\$ 7,067,799
Receivables				
Accounts	1,244,445	-	1,244,445	-
Accrued interest	1,836	-	1,836	3
Other	1,088,926	31,441	1,120,367	-
Prepaid expenses	9,926	-	9,926	18,684
Total current assets	13,311,798	184,330	13,496,128	7,086,486
<b>NONCURRENT ASSETS</b>				
Capital assets				
Nondepreciable	1,051,814	1,317,517	2,369,331	-
Depreciable, net of accumulated depreciation	20,692,498	1,199,459	21,891,957	5,633,574
Total noncurrent assets	21,744,312	2,516,976	24,261,288	5,633,574
Total assets	35,056,110	2,701,306	37,757,416	12,720,060
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items - IMRF	733,197	37,122	770,319	-
OPEB items	399,943	32,925	432,868	-
Asset retirement obligation items	335,491	-	335,491	-
Total deferred outflows of resources	1,468,631	70,047	1,538,678	-
Total assets and deferred outflows of resources	36,524,741	2,771,353	39,296,094	12,720,060
<b>CURRENT LIABILITIES</b>				
Accounts payable	734,204	3,918	738,122	175,544
Retainage payalbe	75,091	-	75,091	-
Accrued payroll	142,040	11,491	153,531	-
Deposits	12,300	-	12,300	-
Unearned revenue	-	3,745	3,745	-
Other payables	-	2,100	2,100	-
Compensated absences payable	7,687	-	7,687	-
Total OPEB liability	41,300	3,400	44,700	-
Total current liabilities	1,012,622	24,654	1,037,276	175,544
<b>LONG-TERM LIABILITIES</b>				
Compensated absences	146,060	-	146,060	-
Net pension liability	1,237,065	62,633	1,299,698	-
Asset retirement obligation	350,000	-	350,000	-
Total OPEB liability	1,367,755	112,599	1,480,354	-
Total long-term liabilities	3,100,880	175,232	3,276,112	-
Total liabilities	4,113,502	199,886	4,313,388	175,544

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2020

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF	\$ 758,006	\$ 38,378	\$ 796,384	\$ -
OPEB items	59,468	4,896	64,364	-
Total deferred outflows of resources	817,474	43,274	860,748	-
Total liabilities and deferred inflows of resources	4,930,976	243,160	5,174,136	175,544
<b>NET POSITION</b>				
Net investment in capital assets	21,744,312	2,516,976	24,261,288	5,633,574
Unrestricted	9,849,453	11,217	9,860,670	6,910,942
<b>TOTAL NET POSITION</b>	<b>\$ 31,593,765</b>	<b>\$ 2,528,193</b>	<b>\$ 34,121,958</b>	<b>\$ 12,544,516</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2020

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,356,322	\$ 183,141	\$ 10,539,463	\$ 1,897,670
Total operating revenues	10,356,322	183,141	10,539,463	1,897,670
<b>OPERATING EXPENSES</b>				
Administration	1,770,854	-	1,770,854	-
Operations	8,351,255	262,288	8,613,543	328,830
Depreciation	1,000,531	78,207	1,078,738	943,924
Amortization	7,255	-	7,255	-
Total operating expenses	11,129,895	340,495	11,470,390	1,272,754
OPERATING INCOME (LOSS)	(773,573)	(157,354)	(930,927)	624,916
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	77,679	2,590	80,269	37,025
Infrastructure surcharge	1,574,414	-	1,574,414	-
Loss on the sale of capital assets	-	-	-	16,489
Total non-operating revenues (expenses)	1,652,093	2,590	1,654,683	53,514
NET INCOME (LOSS) BEFORE TRANSFERS	878,520	(154,764)	723,756	678,430
<b>TRANSFERS</b>				
Transfers in	-	-	-	78,000
Transfers (out)	(23,400)	-	(23,400)	-
Total transfers	(23,400)	-	(23,400)	78,000
CHANGE IN NET POSITION	855,120	(154,764)	700,356	756,430
NET POSITION, JANUARY 1	30,738,645	2,682,957	33,421,602	11,788,086
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 31,593,765</b>	<b>\$ 2,528,193</b>	<b>\$ 34,121,958</b>	<b>\$ 12,544,516</b>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 11,896,889	\$ 97,811	\$ 11,994,700	\$ -
Receipts from interfund services	-	-	-	1,897,670
Payments to suppliers	(7,632,697)	(97,314)	(7,730,011)	(473,994)
Payments to employees	(2,828,622)	(169,587)	(2,998,209)	-
Net cash from operating activities	1,435,570	(169,090)	1,266,480	1,423,676
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in (out)	(23,400)	-	(23,400)	78,000
Net cash from noncapital financing activities	(23,400)	-	(23,400)	78,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(1,715,737)	-	(1,715,737)	(743,801)
Proceeds from sale of capital assets	-	-	-	44,239
Net cash from capital and related financing activities	(1,715,737)	-	(1,715,737)	(699,562)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	96,875	2,590	99,465	37,047
Net cash from investing activities	96,875	2,590	99,465	37,047
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(206,692)	(166,500)	(373,192)	839,161
CASH AND CASH EQUIVALENTS, JANUARY 1	11,173,357	319,389	11,492,746	6,228,638
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 10,966,665</b>	<b>\$ 152,889</b>	<b>\$ 11,119,554</b>	<b>\$ 7,067,799</b>

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2020

	Business-Type Activities			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (773,573)	\$ (157,354)	\$ (930,927)	\$ 624,916
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	1,007,786	78,207	1,085,993	943,924
Other non-operating revenues	1,574,414	-	1,574,414	-
Changes in assets and liabilities				
Receivables	(363,370)	(3,106)	(366,476)	-
Prepaid expenses	-	-	-	16,015
Pension items - IMRF	1,099,835	82,490	1,182,325	-
OPEB items	(95,964)	(33,837)	(129,801)	-
Accounts payable	21,107	(1,407)	19,700	(161,179)
Accrued payroll	60,015	7,910	67,925	-
Contractors deposits	(1,000)	-	(1,000)	-
Retainage payable	37,546	-	37,546	-
Deferred revenue	-	(85,330)	(85,330)	-
Compensated absences	14,388	-	14,388	-
Net pension liability	(1,278,389)	(66,081)	(1,344,470)	-
Total OPEB liability	132,775	9,418	142,193	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,435,570</b>	<b>\$ (169,090)</b>	<b>\$ 1,266,480</b>	<b>\$ 1,423,676</b>
<b>NONCASH TRANSACTIONS</b>				
Acquisition of capital assets through accounts payable	\$ -	\$ -	\$ -	\$ 162,658

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET POSITION**

December 31, 2020

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	<b>Pension Trust</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,299,901
Investments	
U.S. Government and U.S. agency obligations	12,366,370
Money market mutual funds	150,593
Corporate bonds	6,396,499
Negotiable certificates of deposit	224,623
Mutual funds	41,554,775
Illinois Metropolitan Investment Fund	35
Receivables	
Accrued interest	114,128
Prepaid items	4,392
Due to other funds	40,321
	<hr/>
Total assets	63,151,637
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	14,553
	<hr/>
Total liabilities	14,553
	<hr/>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 63,137,084</b>
	<hr/> <hr/>

See accompanying notes to financial statements.

**VILLAGE OF HANOVER PARK, ILLINOIS**

**PENSION TRUST FUNDS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2020

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**ADDITIONS**

Contributions

Employer contributions	\$ 4,637,628
Employee contributions	<u>881,408</u>

Total contributions	<u>5,519,036</u>
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Investment income

Net appreciation in fair value of investments	3,295,987
Interest	<u>1,281,319</u>

Total investment income	4,577,306
Less investment expense	<u>(93,001)</u>

Net investment income	<u>4,484,305</u>
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Total additions	<u>10,003,341</u>
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**DEDUCTIONS**

Benefits and refunds	4,799,069
Administrative expenses	<u>110,560</u>

Total deductions	<u>4,909,629</u>
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NET INCREASE	5,093,712
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**NET POSITION RESTRICTED  
FOR PENSIONS**

January 1	<u>58,043,372</u>
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December 31	<u><u>\$ 63,137,084</u></u>
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See accompanying notes to financial statements.

# VILLAGE OF HANOVER PARK, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Reporting Entity

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

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)

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**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, 2020. 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)

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**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)

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**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 TIF #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.

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.

Additionally, the Village reports the following internal service funds:

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

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

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**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)

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**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)**

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

g. Inventories

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

h. Prepaid Items/Expenses

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

i. Capital Assets

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

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**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)

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**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)

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**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.

p. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the SSA has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

**2. 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).

**2. 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 statutes 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)**

**2. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois Metropolitan Investment Fund	\$ 111,505	\$ -	\$ 111,505	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 111,505</b>	<b>\$ -</b>	<b>\$ 111,505</b>	<b>\$ -</b>	<b>\$ -</b>

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

The Village has the following recurring fair value measurements as of December 31, 2020: 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)**

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**2. 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%.

**3. RECEIVABLES - TAXES**

Property taxes for 2019 attached as an enforceable lien on January 1, 2019, 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, 2020 and are payable in two installments, on or about June 1, 2020 and September 1, 2020. Tax bills are prepared by Cook County and issued on or about February 1, 2020 and July 1, 2020 and are payable March 1, 2020 and August 1, 2020. The counties collect such taxes and remit them periodically.

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

**3. RECEIVABLES - TAXES (Continued)**

The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has been recorded as a receivable and unavailable/deferred revenue as of December 31, 2020 as the tax has been levied by the Village and is intended to fund the 2021 fiscal year.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balances January 1	Increases	Decreases	Ending Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 4,534,078	\$ -	\$ -	\$ 4,534,078
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	2,020,044	3,098,927	40,479	5,078,492
Total capital assets not being depreciated	31,646,686	3,098,927	40,479	34,705,134
Capital assets being depreciated				
Buildings	31,956,965	-	40,542	31,916,423
Machinery, equipment and vehicles	16,582,621	1,240,809	268,951	17,554,479
Improvements other than buildings	3,218,976	-	-	3,218,976
Infrastructure	37,166,408	1,647,738	-	38,814,146
Total capital assets being depreciated	88,924,970	2,888,547	309,493	91,504,024
Less accumulated depreciation for				
Buildings	9,656,144	723,313	32,359	10,347,098
Machinery, equipment and vehicles	8,228,219	1,248,093	240,420	9,235,892
Improvements other than buildings	1,634,425	142,139	-	1,776,564
Infrastructure	26,893,649	544,235	-	27,437,884
Total accumulated depreciation	46,412,437	2,657,780	272,779	48,797,438
Total capital assets being depreciated, net	42,512,533	230,767	36,714	42,706,586
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 74,159,219</b>	<b>\$ 3,329,694</b>	<b>\$ 77,193</b>	<b>\$ 77,411,720</b>

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

**4. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 1,181,042
Public safety	547,873
Public works	<u>928,865</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 2,657,780

	Beginning Balances January 1	Increases	Decreases	Ending Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,254,634	\$ -	\$ -	\$ 2,254,634
Construction in progress	381,328	114,697	381,328	114,697
Total capital assets not being depreciated	<u>2,635,962</u>	<u>114,697</u>	<u>381,328</u>	<u>2,369,331</u>
Capital assets being depreciated				
Buildings and structures	12,662,864	-	-	12,662,864
Machinery, equipment and vehicles	3,456,251	30,055	23,942	3,462,364
Underground systems	17,060,107	1,952,313	-	19,012,420
Improvements other than buildings	10,651,355	-	-	10,651,355
Total capital assets being depreciated	<u>43,830,577</u>	<u>1,982,368</u>	<u>23,942</u>	<u>45,789,003</u>
Less accumulated depreciation for				
Building and structures	6,792,242	250,644	-	7,042,886
Machinery and equipment	2,568,512	144,173	23,942	2,688,743
Underground systems	7,535,297	346,633	-	7,881,930
Improvements other than buildings	5,946,199	337,288	-	6,283,487
Total accumulated depreciation	<u>22,842,250</u>	<u>1,078,738</u>	<u>23,942</u>	<u>23,897,046</u>
Total capital assets being depreciated, net	<u>20,988,327</u>	<u>903,630</u>	<u>-</u>	<u>21,891,957</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 23,624,289</u>	<u>\$ 1,018,327</u>	<u>\$ 381,328</u>	<u>\$ 24,261,288</u>

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

**4. CAPITAL ASSETS (Continued)**

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

**BUSINESS-TYPE ACTIVITIES**

Waterworks and sewerage	\$ 1,000,531
Municipal railroad parking lot	<u>78,207</u>

**TOTAL DEPRECIATION EXPENSE -  
BUSINESS-TYPE ACTIVITIES**

\$ 1,078,738

	Beginning Balances January 1,	Increases	Decreases	Ending Balances December 31
<b>COMPONENT UNIT - HANOVER SQUARE</b>				
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	6,947,543	-	-	6,947,543
Total capital assets being depreciated	<u>6,947,543</u>	<u>-</u>	<u>-</u>	<u>6,947,543</u>
Less accumulated depreciation for				
Buildings and improvements	615,866	237,322	-	853,188
Total accumulated depreciation	<u>615,866</u>	<u>237,322</u>	<u>-</u>	<u>853,188</u>
Total capital assets being depreciated, net	<u>6,331,677</u>	<u>(237,322)</u>	<u>-</u>	<u>6,094,355</u>
<b>COMPONENT UNIT - HANOVER SQUARE CAPITAL ASSETS, NET</b>	<u>\$ 7,348,765</u>	<u>\$ (237,322)</u>	<u>\$ -</u>	<u>\$ 7,111,443</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
Ontarioville Streetscape Project	\$ 4,000,000	\$ 3,098,927	\$ 901,073
West Branch Stabilization Project	500,000	11,756	488,244
<b>TOTAL</b>	<u>\$ 4,500,000</u>	<u>\$ 3,110,683</u>	<u>\$ 1,389,317</u>

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

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**5. 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)**

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**5. 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, 2020.

**6. 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/ Defeasances/ Refundings	Balances December 31	Current Portion
<p>\$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.</p>	Debt Service	\$ 7,595,000	\$ -	\$ 7,595,000	\$ -	-
<p>\$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.</p>	Debt Service	3,925,000	-	3,925,000	-	-
<p>\$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.</p>	Debt Service	3,015,000	-	3,015,000	-	-

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

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

a. General Obligation Bonds (Continued)

	Fund Debt Retired by	Balances January 1	Additions	Reductions/ Defeasances/ Refundings	Balances December 31	Current Portion
\$12,980,000 General Obligation Refunding Bond Series of 2020, due in annual installments of \$970,000 to \$1,385,000, plus interest of 4.00% through December 1, 2030.	Debt Service	\$ -	\$ 12,980,000	\$ 1,310,000	\$ 11,670,000	\$ 970,000
<b>TOTAL</b>		<b>\$ 14,535,000</b>	<b>\$ 12,980,000</b>	<b>\$ 15,845,000</b>	<b>\$ 11,670,000</b>	<b>\$ 970,000</b>

b. Notes Payable

Hanover Square LLC has a nonrevolving line of credit note payable with a financial institution that allowed for borrowings up to \$3,723,943 to be used exclusively for the construction costs related to the redevelopment of the buildings. Beginning in January 2019, monthly principal payments of \$12,413, based on a 25-year amortization period, plus interest at a fixed rate of 2.86% per annum. The note matures on August 5, 2024 and any unpaid amounts will be due on the maturity date. The note is collateralized by substantially all assets of the Company. At December 31, 2020, the outstanding balance was \$3,277,070.

Hanover Square LLC 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 is collateralized by substantially all assets of the Company. Beginning in April 2020, the Company began making monthly principal payments of \$1,467, based on a 25-year amortization period, plus interest at a fixed rate of 2.86% per annum. Any unpaid amounts will be due on the maturity date. At December 31, 2020, the outstanding balance was \$848,731.

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

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

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31,	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2021	\$ 970,000	\$ 466,800
2022	1,010,000	428,000
2023	1,050,000	387,600
2024	1,095,000	345,600
2025	1,135,000	301,800
2026	1,185,000	256,400
2027	1,230,000	209,000
2028	1,280,000	159,800
2029	1,330,000	108,600
2030	1,385,000	55,400
<b>TOTAL</b>	<b>\$ 11,670,000</b>	<b>\$ 2,719,000</b>

d. 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
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds payable	\$ 14,535,000	\$ 12,980,000	\$ 15,845,000	\$ 11,670,000	\$ 970,000
Add unamortized bond premium	36,706	1,868,674	206,585	1,698,795	-
Less unamortized bond discount	(59,050)	-	(59,050)	-	-
Compensated absences*	902,312	139,511	45,116	996,707	49,835
Net pension liability - IMRF*	5,381,149	-	2,723,761	2,657,388	-
Net pension liability - Firefighters' Pension*	15,089,186	-	240,767	14,848,419	-
Net pension liability - Police Pension*	29,632,155	526,212	-	30,158,367	-
Total OPEB liability*	7,332,062	1,025,889	-	8,357,951	244,974
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 72,849,520</b>	<b>\$ 16,540,286</b>	<b>\$ 19,002,179</b>	<b>\$ 70,387,627</b>	<b>\$ 1,264,809</b>

\*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)**

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

d. Changes in Long-Term Liabilities (Continued)

	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences	\$ 139,359	\$ 21,356	\$ 6,968	\$ 153,747	\$ 7,687
Net pension liability - IMRF	2,644,168	-	1,344,470	1,299,698	-
Asset retirement obligation	350,000	-	-	350,000	-
Total OPEB liability	1,382,861	142,193	-	1,525,054	44,700
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>					
	\$ 4,516,388	\$ 163,549	\$ 1,351,438	\$ 3,328,499	\$ 52,387
<b>COMPONENT UNIT - HANOVER SQUARE</b>					
Wintrust line of credit	\$ 3,426,028	\$ -	\$ 148,958	\$ 3,277,070	\$ 131,083
Wintrust construction line of credit	771,594	90,340	13,203	848,731	33,949
<b>TOTAL COMPONENT UNIT - HANOVER SQUARE</b>					
	\$ 4,197,622	\$ 90,340	\$ 162,161	\$ 4,125,801	\$ 165,032

e. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

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

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

f. 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.

g. Current Refunding

On February 24, 2020, the Village issued \$12,980,000 General Obligation Refunding Bonds Series 2020 to advance refund \$7,595,000 of the outstanding 2010 General Obligation Bonds (call date February 24, 2020), \$3,925,000 of the outstanding 2010A General Obligation Bonds (call date February 24, 2020), and \$3,015,000 of the outstanding 2011 General Obligation Bonds (call date February 24, 2020). As a result of the refunding, the Village realized a cash flow savings of approximately \$2,157,382 and an economic gain of approximately \$1,954,861.

**7. INDIVIDUAL FUND DISCLOSURES**

Individual fund transfers are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental	General	\$ 1,194,544
Internal service	General	54,600
Internal service	Water and Sewer	23,400
Nonmajor governmental	Nonmajor governmental	137,753
Nonmajor governmental	Nonmajor governmental	229,929
Nonmajor governmental	Nonmajor governmental	<u>111,549</u>
<b>TOTAL</b>		<b><u>\$ 1,751,775</u></b>

Interfund transfers during the year ended December 31, 2020 consisted of the following:

- \$572,000 and \$622,544 transferred from the General Fund to the Road and Bridge Fund (Nonmajor governmental) and General Capital Projects Fund (Nonmajor Governmental), respectively, to cover project expenditures.
- \$54,600 transferred from the General Fund to the Central Equipment Fund (Internal Service) to cover project expenditures.

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

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

- \$23,400 transferred from the Water and Sewer Fund to the Central Equipment Fund (Internal Service) is to cover project expenditures.
- \$137,753, \$229,929 and \$111,549 transferred from the General Obligation Bond Series of 2011 (Nonmajor Governmental), General Obligation Bond Series of 2010 (Nonmajor Governmental) and General Obligation Bond Series of 2010A (Nonmajor Governmental), respectively, to the General Obligation Bond Series of 2020 (Nonmajor Governmental) is to close out the funds refunded by the issuance of the General Obligation Refunding Bond Series of 2020.

**8. 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:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2021	<u>\$ 870,188</u>
TOTAL	<u>\$ 870,188</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.

**9. 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.

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

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**9. CONTINGENT LIABILITIES (Continued)**

b. Grants

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

c. Northwest Suburban Municipal Joint Action Water Agency

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

d. Economic Incentive Agreements

The Village has entered into 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 cumulative expenditures incurred under this agreement is \$464,115 as of December 31, 2020.

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, 2020. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached.

**10. 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.

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

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**10. TAX ABATEMENTS (Continued)**

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, 2020 was \$4,063,050. A liability of \$2,116,943 has been reported as of December 31, 2020 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, 2020 is \$25,076,859.

**11. JOINT VENTURES**

Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

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

The seven members of JAWA and their percentage shares as of December 31, 2020 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>
<b>TOTAL</b>	<u><u>100.00%</u></u>

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

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

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**11. JOINT VENTURES (Continued)**

Northwest Suburban Municipal Joint Action Water Agency (Continued)

Description of Joint Venture (Continued)

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, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

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

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2032. 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 2035.

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.

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

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**11. JOINT VENTURES (Continued)**

Northwest Suburban Municipal Joint Action Water Agency (Continued)

Description of Joint Venture (Continued)

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 \$5,382,364 to JAWA for the year ended December 31, 2020. All payments were paid from the Waterworks and Sewerage Fund.

**12. DEFINED BENEFIT PENSION PLANS**

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

The aggregate net pension asset, net pension liability, deferred inflows of resources, deferred outflows of resources and expense for all pension plans was \$264,347, \$48,963,872, \$3,154,977, \$8,549,553 and \$5,558,340, respectively, at December 31, 2020.

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

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

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. Plan Membership

At December 31, 2019, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	130	2
Inactive employees entitled to but not yet receiving benefits	75	-
Active employees	101	-
<b>TOTAL</b>	<u>306</u>	<u>2</u>

b. Benefits Provided

Illinois Municipal Retirement Fund

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

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

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

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

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

b. Benefits Provided (Continued)

Sherriff'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.

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 2020 was 12.25% of covered payroll for IMRF and 0.00% for SLEP.

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

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

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

d. Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2019 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, 2019	December 31, 2019
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.50%	2.50%
Salary increases	3.35% to 14.25%	3.35% 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 Healthy 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 adjustments 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)**

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

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

e. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for IMRF and SLEP (7.25% in 2019). 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, 2019	\$ 51,267,484	\$ 43,242,167	\$ 8,025,317
Changes for the period			
Service cost	729,567	-	729,567
Interest	3,646,223	-	3,646,223
Difference between expected and actual experience	1,290,861	-	1,290,861
Changes in assumptions	-	-	-
Employer contributions	-	775,040	(775,040)
Employee contributions	-	341,930	(341,930)
Net investment income	-	8,107,687	(8,107,687)
Benefit payments and refunds	(2,679,082)	(2,679,082)	-
Administrative expense	-	-	-
Other (net transfer)	-	510,225	(510,225)
Net changes	2,987,569	7,055,800	(4,068,231)
BALANCES AT DECEMBER 31, 2019	\$ 54,255,053	\$ 50,297,967	\$ 3,957,086

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

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

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

f. Changes in the Net Pension Liability (Continued)

Sheriff's Law Enforcement Personnel Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2019	\$ 622,709	\$ 767,578	\$ (144,869)
Changes for the period			
Service cost	-	-	-
Interest	43,316	-	43,316
Difference between expected and actual experience	6,779	-	6,779
Changes in assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	-	-
Net investment income	-	166,163	(166,163)
Benefit payments and refunds	(50,498)	(50,498)	-
Administrative expense	-	-	-
Other (net transfer)	-	3,410	(3,410)
Net changes	(403)	119,075	(119,478)
BALANCES AT DECEMBER 31, 2019	\$ 622,306	\$ 886,653	\$ (264,347)

There were no changes with respect to actuarial assumptions for IMRF and SLEP.

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

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

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

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

Illinois Municipal Retirement Fund

For the year ended December 31, 2020, the Village recognized pension expense of \$334,521. At December 31, 2020, 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	\$ 882,942	\$ 128,920
Changes in assumption	568,758	213,904
Net difference between projected and actual earnings on pension plan investments	-	2,081,862
Contributions subsequent to measurement date	893,629	-
<b>TOTAL</b>	<u><u>\$ 2,345,329</u></u>	<u><u>\$ 2,424,686</u></u>

\$893,629 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, 2021. 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>	
2021	\$ (159,222)
2022	(81,683)
2023	270,072
2024	(1,002,153)
2025	-
Thereafter	-
<b>TOTAL</b>	<u><u>\$ (972,986)</u></u>

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

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

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

- 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, 2020, the Village recognized pension expense of \$(13,402). At December 31, 2020, 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	-	49,619
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 49,619</b>

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>	
2021	\$ (15,704)
2022	(15,736)
2023	4,266
2024	(22,445)
2025	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (49,619)</b>

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

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

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

h. Discount Rate Sensitivity

Illinois Municipal Retirement 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 (asset) 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)	\$ 10,198,698	\$ 3,957,086	\$ (1,245,598)

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)	\$ (205,941)	\$ (264,347)	\$ (314,592)

Police Pension Plan

a. Plan Administration

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

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

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

Police Pension Plan (Continued)

a. Plan 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, 2020, 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	9
Active plan members	<u>59</u>
 TOTAL	 <u><u>112</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.

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

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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. 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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of past service cost by 2033. For the year ended December 31, 2020, the Village's contribution was 50.53% 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)**

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**12. 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, 2020, 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)**

**12. 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.15%. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 4,974,378	\$ 202,235	\$ 1,138,806	\$ 3,633,337	\$ -
U.S. agency obligations	3,292,701	234,930	1,518,881	1,216,060	322,830
Negotiable certificates of deposit	224,623	-	-	224,623	-
Corporate bonds	3,697,732	176,674	1,816,565	1,704,493	-
<b>TOTAL</b>	<b>\$ 12,189,434</b>	<b>\$ 613,839</b>	<b>\$ 4,474,252</b>	<b>\$ 6,778,513</b>	<b>\$ 322,830</b>

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

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

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**12. 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, 2020: 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, negotiable certificates of deposit, 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 that are rated as investment grade (BBB or higher) by one of the two largest rating agencies. The U.S. agency obligations are either not rated or rated from Aaa to AAA. The corporate bonds are rated from BAA3-AA2. The negotiable certificates of deposit are not rated.

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.

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

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

Police Pension Plan (Continued)

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 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, 2020	\$ 66,019,781	\$ 36,387,626	\$ 29,632,155
Changes for the period			
Service cost	1,134,336	-	1,134,336
Interest	4,542,986	-	4,542,986
Difference between expected and actual experience	1,078,943	-	1,078,943
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	2,897,330	(2,897,330)
Employee contributions	-	555,842	(555,842)
Other contributions	-	568	(568)
Net investment income	-	2,838,277	(2,838,277)
Benefit payments and refunds	(3,160,583)	(3,160,583)	-
Administrative expense	-	(61,964)	61,964
Net changes	3,595,682	3,069,470	526,212
BALANCES AT DECEMBER 31, 2020	\$ 69,615,463	\$ 39,457,096	\$ 30,158,367

There were no changes with respect to actuarial assumptions for the Police Pension. The plan fiduciary net position as a percentage of total pension liability was 56.68% at December 31, 2020.

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

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**12. 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, 2020
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	2.12%
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.

Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

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

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

Police Pension Plan (Continued)

o. 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	\$ 41,088,646	\$ 30,158,367	\$ 21,378,811

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

For the year ended December 31, 2020, the Village recognized police pension expense of \$3,345,551. At December 31, 2020, 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	\$ 2,774,131	\$ 485,741
Changes in assumption	1,725,232	-
Net difference between projected and actual earnings on pension plan investments	-	74,615
<b>TOTAL</b>	<b>\$ 4,499,363</b>	<b>\$ 560,356</b>

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

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

Police Pension Plan (Continued)

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

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</u> <u>December 31,</u>	
2021	\$ 788,497
2022	1,039,843
2023	72,758
2024	581,420
2025	519,632
Thereafter	<u>936,857</u>
 TOTAL	 <u>\$ 3,939,007</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.

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.

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

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

Firefighter's Pension Plan (Continued)

b. Plan Membership

At December 31, 2020, the Firefighter's Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	35
 TOTAL	 75

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.

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. 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).

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

Firefighter's Pension Plan (Continued)

c. Benefits Provided (Continued)

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% 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, 2020, the Village's contribution was 49.64% of covered payroll.

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.

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

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

Firefighter's Pension Plan (Continued)

e. Investment Policy (Continued)

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)**

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**12. 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.62%. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 3,504,314	\$ 25,373	\$ 2,228,605	\$ 1,250,336	\$ -
U.S. agency obligations	594,977	-	-	187,026	407,951
Corporate bonds	2,698,767	141,500	1,485,401	1,071,866	-
<b>TOTAL</b>	<b>\$ 6,798,058</b>	<b>\$ 166,873</b>	<b>\$ 3,714,006</b>	<b>\$ 2,509,228</b>	<b>\$ 407,951</b>

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

Firefighter's Pension Plan (Continued)

h. Interest Rate Risk (Continued)

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.

The Fund has the following recurring fair value measurements as of December 31, 2020: 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 that are rated as investment grade (BBB or higher) by one of the two largest rating agencies. The U.S. agency obligations are not rated. The corporate bonds are rated from BAA3-AA1.

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.

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

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

Firefighter's Pension Plan (Continued)

1. 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.

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, 2020	\$ 36,744,932	\$ 21,655,746	\$ 15,089,186
Changes for the period			
Service cost	883,281	-	883,281
Interest	2,476,269	-	2,476,269
Difference between expected and actual experience	62,411	-	62,411
Changes in assumptions	-	-	-
Changes in benefits terms	-	-	-
Employer contributions	-	1,740,298	(1,740,298)
Employee contributions	-	321,125	(321,125)
Other contributions	-	3,873	(3,873)
Net investment income	-	1,646,028	(1,646,028)
Benefit payments and refunds	(1,638,486)	(1,638,486)	-
Administrative expense	-	(48,596)	48,596
Net changes	1,783,475	2,024,242	(240,767)
BALANCES AT DECEMBER 31, 2020	\$ 38,528,407	\$ 23,679,988	\$ 14,848,419

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

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

Firefighter’s Pension Plan (Continued)

m. Changes in the Net Pension Liability (Continued)

There were no changes with respect to actuarial assumptions for the Firefighter’s Pension Plan. The plan fiduciary net position as a percentage of total pension liability was 61.46% at December 31, 2020.

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, 2020
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	2.12%
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
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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.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

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

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

Firefighter’s Pension Plan (Continued)

n. Actuarial Assumptions (Continued)

Disabled Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

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	\$ 20,904,000	\$ 14,848,419	\$ 9,965,283

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

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

Firefighter's Pension Plan (Continued)

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

For the year ended December 31, 2020, the Village recognized firefighter's pension expense of \$1,891,670. At December 31, 2020, 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	\$ 845,017	\$ 42,362
Changes in assumption	857,124	77,954
Net difference between projected and actual earnings on pension plan investments	2,720	-
<b>TOTAL</b>	<b>\$ 1,704,861</b>	<b>\$ 120,316</b>

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

<u>Year Ending December 31,</u>	
2021	\$ 379,806
2022	530,496
2023	(42,847)
2024	223,152
2025	226,067
Thereafter	267,871
<b>TOTAL</b>	<b>\$ 1,584,545</b>

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

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**13. PENSION TRUST FUNDS**

Fiduciary Funds Summary Financial Information

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

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,308,768	\$ 991,133	\$ 2,299,901
Investments			
U.S. Government and			
U.S. agency obligations	8,267,079	4,099,291	12,366,370
Money market mutual funds	96,661	53,932	150,593
Corporate bonds	3,697,732	2,698,767	6,396,499
Negotiable certificates of deposit	224,623	-	224,623
Mutual funds	25,755,900	15,798,875	41,554,775
Illinois Metropolitan			
Investment Fund	10	25	35
Receivables			
Accrued interest	71,382	42,746	114,128
Prepaid items	3,798	594	4,392
Due from other funds	40,321	-	40,321
	<u>39,466,274</u>	<u>23,685,363</u>	<u>63,151,637</u>
<b>LIABILITIES</b>			
Accounts payable	9,178	5,375	14,553
	<u>9,178</u>	<u>5,375</u>	<u>14,553</u>
<b>NET POSITION</b>			
	<u>\$ 39,457,096</u>	<u>\$ 23,679,988</u>	<u>\$ 63,137,084</u>

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

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

Fiduciary Funds Summary Financial Information (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,897,330	\$ 1,740,298	\$ 4,637,628
Participants	556,410	324,998	881,408
Total contributions	3,453,740	2,065,296	5,519,036
Investment income			
Net appreciation in fair value of investments	2,086,203	1,209,784	3,295,987
Interest earned	810,242	471,077	1,281,319
Less investment expense	(58,168)	(34,833)	(93,001)
Net investment income	2,838,277	1,646,028	4,484,305
Total additions	6,292,017	3,711,324	10,003,341
<b>DEDUCTIONS</b>			
Pension benefits and refunds	3,160,583	1,638,486	4,799,069
Administrative expenses	61,964	48,596	110,560
Total deductions	3,222,547	1,687,082	4,909,629
<b>NET INCREASE</b>	3,069,470	2,024,242	5,093,712
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
January 1	36,387,626	21,655,746	58,043,372
December 31	\$ 39,457,096	\$ 23,679,988	\$ 63,137,084

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

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**14. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The 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, 2020 (actuarial valuation date) membership consisted of:

Retirees and beneficiaries currently receiving benefits	29
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>192</u>
<b>TOTAL</b>	<u><u>221</u></u>
Participating employers	<u>1</u>

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

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

d. Total OPEB Liability

The Village's total OPEB liability of \$9,883,005 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2020, as determined by an actuarial valuation as of December 31, 2020, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	2.12%
Healthcare cost trend rates	5.00% Initial 5.00% Ultimate

The actuarial assumptions used in the December 31, 2020 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, 2020.

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, 2019 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)**

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

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2020	\$ 8,714,923
Changes for the period	
Service cost	255,215
Interest	234,820
Difference between expected and actual experience	111,039
Changes in benefit terms	-
Changes in assumptions	856,682
Benefit payments	<u>(289,674)</u>
Net changes	<u>1,168,082</u>
BALANCES AT DECEMBER 31, 2020	<u>\$ 9,883,005</u>

The changes in assumptions were 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 2.12% 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 (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 11,791,495	\$ 9,883,005	\$ 8,391,071

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

**14. 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% 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%) or 1 percentage point higher (6%) than the current rate:

	1% Decrease (4%)	Current Healthcare Rate (5%)	1% Increase (6%)
Total OPEB liability	\$ 8,081,356	\$ 9,883,005	\$ 12,300,465

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$739,296. At December 31, 2020, 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	\$ 102,497	\$ -
Changes in assumptions	2,702,676	417,104
<b>TOTAL</b>	<b>\$ 2,805,173</b>	<b>\$ 417,104</b>

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

Year Ending December 31,	
2021	\$ 249,261
2022	249,261
2023	249,261
2024	249,261
2025	249,261
Thereafter	1,141,764
<b>TOTAL</b>	<b>\$ 2,388,069</b>

## **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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 28,246,200	\$ 28,246,200	\$ 32,068,835	\$ 3,822,635
Licenses and permits	1,215,541	1,215,541	1,086,561	(128,980)
Charges for services	1,904,400	1,904,400	1,698,259	(206,141)
Fines and forfeits	789,100	789,100	1,028,195	239,095
Intergovernmental	4,020,739	4,020,739	5,558,467	1,537,728
Investment income	281,000	281,000	153,261	(127,739)
Miscellaneous	294,657	294,657	350,157	55,500
<b>Total revenues</b>	<b>36,751,637</b>	<b>36,751,637</b>	<b>41,943,735</b>	<b>5,192,098</b>
<b>EXPENDITURES</b>				
Current				
General government	4,873,542	4,873,542	5,214,787	341,245
Community development	3,723,854	3,723,854	4,509,847	785,993
Public safety	22,953,577	22,953,577	21,676,009	(1,277,568)
Public works	4,448,486	4,448,486	4,018,408	(430,078)
<b>Total expenditures</b>	<b>35,999,459</b>	<b>35,999,459</b>	<b>35,419,051</b>	<b>(580,408)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>752,178</b>	<b>752,178</b>	<b>6,524,684</b>	<b>5,772,506</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	70,088	70,088	-	(70,088)
Transfers (out)	(1,194,544)	(1,249,144)	(1,249,144)	-
<b>Total other financing sources (uses)</b>	<b>(1,124,456)</b>	<b>(1,179,056)</b>	<b>(1,249,144)</b>	<b>(70,088)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (372,278)</b>	<b>\$ (426,878)</b>	<b>5,275,540</b>	<b>\$ 5,702,418</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>23,584,337</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 28,859,877</b>	

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Allotments earned	\$ 1,550,000	\$ 1,550,000	\$ 1,381,887	\$ (168,113)
Rebuild Illinois	-	-	834,190	834,190
Investment income	7,000	7,000	5,588	(1,412)
Total revenues	<u>1,557,000</u>	<u>1,557,000</u>	<u>2,221,665</u>	<u>664,665</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,428,568</u>	<u>(571,432)</u>
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,428,568</u>	<u>(571,432)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (443,000)</u>	<u>\$ (443,000)</u>	793,097	<u>\$ 1,236,097</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>586,780</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,379,877</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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,873,194	\$ (126,806)
Intergovernmental Grants	-	-	79,891	79,891
Investment income	40,000	40,000	51,093	11,093
Total revenues	<u>2,040,000</u>	<u>2,040,000</u>	<u>2,004,178</u>	<u>(35,822)</u>
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	841,000	875,368	339,223	(536,145)
Capital outlay	4,050,000	5,247,772	3,102,209	(2,145,563)
Total expenditures	<u>4,891,000</u>	<u>6,123,140</u>	<u>3,441,432</u>	<u>(2,681,708)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,851,000)</u>	<u>\$ (4,083,140)</u>	(1,437,254)	<u>\$ 2,645,886</u>
FUND BALANCE, JANUARY 1			<u>8,269,686</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 6,832,432</u>	

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

OTHER POSTEMPLOYMENT BENEFIT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 220,378	\$ 195,099	\$ 255,215
Interest	223,062	247,704	234,820
Differences between expected and actual experience	-	-	111,039
Changes of benefit terms	-	-	-
Changes of assumptions	(590,417)	2,377,075	856,682
Benefit payments	(294,312)	(291,069)	(289,674)
Net change in total pension liability	(441,289)	2,528,809	1,168,082
Total OPEB liability - beginning	6,627,403	6,186,114	8,714,923
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 6,186,114</b>	<b>\$ 8,714,923</b>	<b>\$ 9,883,005</b>
Covered-employee payroll	\$ 15,750,457	\$ 16,681,390	\$ 15,802,144
Employer's total OPEB liability as a percentage of covered-employee payroll	39.28%	52.24%	62.54%

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, 2019 and 2020.

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 Six Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 888,579	\$ 950,875	\$ 977,967	\$ 936,901	\$ 775,041	\$ 893,629
Contributions in relation to the actuarially determined contribution	888,579	950,875	977,967	936,901	775,041	893,629
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>					
Covered payroll	\$ 6,543,294	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031	\$ 7,598,438	\$ 7,297,551
Contributions as a percentage of covered payroll	13.58%	14.01%	13.72%	12.98%	10.20%	12.25%

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 24 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 3.35% to 14.25% 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 Six Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>					
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	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 24 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 3.35% to 14.25% 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

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 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	\$ 2,890,977
Contribution in relation to the actuarially determined contribution	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	2,897,330
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ (27,384)</b>	<b>\$ (20,506)</b>	<b>\$ (35,932)</b>	<b>\$ (6,353)</b>					
Covered payroll	\$ 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	\$ 5,733,666
Contributions as a percentage of covered payroll	32.82%	34.82%	35.08%	25.00%	41.41%	41.89%	43.07%	47.26%	50.70%	50.53%

\*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 14.06 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

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 805,643	\$ 815,297	\$ 915,601	\$ 714,491	\$ 1,164,625	\$ 1,220,758	\$ 1,351,723	\$ 1,517,169	\$ 1,594,025	\$ 1,735,748
Contribution in relation to the actuarially determined contribution	805,643	815,297	915,601	714,491	1,164,625	1,220,758	1,380,568	1,527,385	1,615,441	1,740,298
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ (28,845)</b>	<b>\$ (10,216)</b>	<b>\$ (21,416)</b>	<b>\$ (4,550)</b>					
Covered payroll	\$ 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	\$ 3,506,100
Contributions as a percentage of covered payroll	30.14%	28.83%	30.72%	23.97%	39.27%	39.18%	43.36%	47.12%	48.27%	49.64%

\*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 14.11 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 Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 719,917	\$ 650,191	\$ 707,092	\$ 726,316	\$ 695,329	\$ 729,567
Interest	3,079,014	3,333,582	3,533,657	3,562,670	3,553,263	3,646,223
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	76,300	856,622	(1,609,789)	(547,766)	(111,902)	1,290,861
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)	(2,679,082)
Net change in total pension liability	3,701,076	2,813,998	189,861	(51,317)	3,004,328	2,987,569
Total pension liability - beginning	41,609,538	45,310,614	48,124,612	48,314,473	48,263,156	51,267,484
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 45,310,614</b>	<b>\$ 48,124,612</b>	<b>\$ 48,314,473</b>	<b>\$ 48,263,156</b>	<b>\$ 51,267,484</b>	<b>\$ 54,255,053</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 889,907	\$ 888,579	\$ 950,875	\$ 977,967	\$ 936,901	\$ 775,040
Contributions - member	283,210	316,164	305,421	324,714	324,812	341,930
Net investment income	2,352,058	201,816	2,772,593	7,317,983	(2,568,462)	8,107,687
Benefit payments, including refunds of member contributions	(1,722,335)	(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)
Administrative expense	194,216	331,390	(1,139,027)	(989,389)	636,938	510,225
Net change in plan fiduciary net position	1,997,056	(400,272)	669,650	5,280,554	(3,137,759)	7,055,800
Plan fiduciary net position - beginning	38,832,938	40,829,994	40,429,722	41,099,372	46,379,926	43,242,167
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 40,829,994</b>	<b>\$ 40,429,722</b>	<b>\$ 41,099,372</b>	<b>\$ 46,379,926</b>	<b>\$ 43,242,167</b>	<b>\$ 50,297,967</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 4,480,620</b>	<b>\$ 7,694,890</b>	<b>\$ 7,215,101</b>	<b>\$ 1,883,230</b>	<b>\$ 8,025,317</b>	<b>\$ 3,957,086</b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.11%	84.01%	85.07%	96.10%	84.35%	92.71%
Covered payroll	\$ 5,998,378	\$ 6,543,294	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031	\$ 7,598,438
Employer's net pension liability as a percentage of covered payroll	74.70%	117.60%	106.31%	26.42%	111.18%	52.08%

**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 Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	43,096	44,500	44,719	44,892	43,788	43,316
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	2,204	4,854	5,169	5,481	6,131	6,779
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)	(50,498)
Net change in total pension liability	19,923	3,501	2,871	(14,141)	14,213	(403)
Total pension liability - beginning	596,342	616,265	619,766	622,637	608,496	622,709
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 616,265</b>	<b>\$ 619,766</b>	<b>\$ 622,637</b>	<b>\$ 608,496</b>	<b>\$ 622,709</b>	<b>\$ 622,306</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	-	-	-
Net investment income	41,034	3,360	52,097	155,674	(69,668)	166,163
Benefit payments, including refunds of member contributions	(43,449)	(45,853)	(47,017)	(48,143)	(49,313)	(50,498)
Administrative expense	2,936	20,078	95,708	(14,355)	20,080	3,410
Net change in plan fiduciary net position	521	(22,415)	100,788	93,176	(98,901)	119,075
Plan fiduciary net position - beginning	694,409	694,930	672,515	773,303	866,479	767,578
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 694,930</b>	<b>\$ 672,515</b>	<b>\$ 773,303</b>	<b>\$ 866,479</b>	<b>\$ 767,578</b>	<b>\$ 886,653</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ (78,665)</b>	<b>\$ (52,749)</b>	<b>\$ (150,666)</b>	<b>\$ (257,983)</b>	<b>\$ (144,869)</b>	<b>\$ (264,347)</b>
Plan fiduciary net position as a percentage of the total pension liability	112.76%	108.51%	124.20%	142.40%	123.26%	142.48%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's net pension liability as a percentage of covered payroll	0.00%	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 Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 826,153	\$ 933,500	\$ 957,853	\$ 963,023
Interest	2,120,601	3,388,095	3,535,205	3,765,976
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(74,557)	(1,191,861)	493,707	836,552
Changes of assumptions	884,268	1,065,729	697,595	-
Benefit payments, including refunds of member contributions	1,164,414	(1,952,464)	(2,235,335)	(2,539,916)
Net change in total pension liability	4,920,879	2,242,999	3,449,025	3,025,635
Total pension liability - beginning	44,456,711	49,377,590	51,620,589	55,069,614
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 49,377,590</b>	<b>\$ 51,620,589</b>	<b>\$ 55,069,614</b>	<b>\$ 58,095,249</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 1,275,435	\$ 2,078,956	\$ 2,153,658	\$ 2,300,432
Contributions - member	323,746	510,565	508,475	509,894
Contributions - other	-	-	11,811	7,378
Net investment income	415,166	(492,361)	2,266,438	3,350,793
Benefit payments, including refunds of member contributions	(1,164,414)	(1,952,464)	(2,235,335)	(2,539,916)
Administrative expense	(50,938)	(29,889)	(40,102)	(50,125)
Net change in plan fiduciary net position	798,995	114,807	2,664,945	3,578,456
Plan fiduciary net position - beginning	26,222,203	27,021,198	27,136,005	29,800,950
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 27,021,198</b>	<b>\$ 27,136,005</b>	<b>\$ 29,800,950</b>	<b>\$ 33,379,406</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 22,356,392</b>	<b>\$ 24,484,584</b>	<b>\$ 25,268,664</b>	<b>\$ 24,715,843</b>
Plan fiduciary net position as a percentage of the total pension liability	54.72%	52.57%	54.12%	57.46%
Covered payroll	\$ 5,101,739	\$ 5,020,825	\$ 5,140,730	\$ 5,341,112
Employer's net pension liability as a percentage of covered payroll	438.21%	487.66%	491.54%	462.75%

**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.

<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 1,030,435	\$ 1,057,469	\$ 1,134,336
3,976,549	4,127,425	4,542,986
-	497,177	-
(116,138)	1,465,219	1,078,943
-	1,357,340	-
<u>(2,574,815)</u>	<u>(2,896,129)</u>	<u>(3,160,583)</u>
2,316,031	5,608,501	3,595,682
<u>58,095,249</u>	<u>60,411,280</u>	<u>66,019,781</u>
<u>\$ 60,411,280</u>	<u>\$ 66,019,781</u>	<u>\$ 69,615,463</u>
\$ 2,477,582	\$ 2,658,387	\$ 2,897,330
547,137	625,248	555,842
-	-	568
(2,484,821)	4,754,224	2,838,277
(2,574,815)	(2,896,129)	(3,160,583)
<u>(47,871)</u>	<u>(50,722)</u>	<u>(61,964)</u>
(2,082,788)	5,091,008	3,069,470
<u>33,379,406</u>	<u>31,296,618</u>	<u>36,387,626</u>
<u>\$ 31,296,618</u>	<u>\$ 36,387,626</u>	<u>\$ 39,457,096</u>
<u>\$ 29,114,662</u>	<u>\$ 29,632,155</u>	<u>\$ 30,158,367</u>
51.81%	55.12%	56.68%
\$ 5,242,425	\$ 5,243,756	\$ 5,733,666
555.37%	565.09%	525.99%

(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 Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 534,054	\$ 697,712	\$ 789,376	\$ 802,166
Interest	1,153,817	1,787,834	1,917,310	2,052,799
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(123,447)	(121,544)	558,032	106,820
Changes of assumptions	(297,826)	517,009	(160,539)	-
Benefit payments, including refunds of member contributions	593,064	(975,580)	(1,087,111)	(1,250,155)
Net change in total pension liability	1,859,662	1,905,431	2,017,068	1,711,630
Total pension liability - beginning	24,168,610	26,028,272	27,933,703	29,950,771
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 26,028,272</b>	<b>\$ 27,933,703</b>	<b>\$ 29,950,771</b>	<b>\$ 31,662,401</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 714,492	\$ 1,164,625	\$ 1,220,758	\$ 1,380,568
Contributions - member	184,034	293,937	293,235	297,440
Contributions - other	-	-	109	-
Net investment income	237,412	(295,023)	1,308,890	1,970,968
Benefit payments, including refunds of member contributions	(593,064)	(975,580)	(1,087,111)	(1,250,155)
Administrative expense	(33,424)	(25,611)	(25,152)	(38,591)
Net change in plan fiduciary net position	509,450	162,348	1,710,729	2,360,230
Plan fiduciary net position - beginning	14,815,557	15,325,007	15,487,355	17,198,084
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 15,325,007</b>	<b>\$ 15,487,355</b>	<b>\$ 17,198,084</b>	<b>\$ 19,558,314</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 10,703,265</b>	<b>\$ 12,446,348</b>	<b>\$ 12,752,687</b>	<b>\$ 12,104,087</b>
Plan fiduciary net position as a percentage of the total pension liability	58.88%	55.44%	57.42%	61.77%
Covered payroll	\$ 2,980,239	\$ 2,965,597	\$ 3,115,991	\$ 3,183,775
Employer's net pension liability as a percentage of covered payroll	359.14%	419.69%	409.27%	380.18%

**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

<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 858,318	\$ 825,155	\$ 883,281
2,167,052	2,314,830	2,476,269
-	285,475	-
544,169	120,121	62,411
-	884,261	-
<u>(1,409,038)</u>	<u>(1,507,812)</u>	<u>(1,638,486)</u>
2,160,501	2,922,030	1,783,475
<u>31,662,401</u>	<u>33,822,902</u>	<u>36,744,932</u>
<u>\$ 33,822,902</u>	<u>\$ 36,744,932</u>	<u>\$ 38,528,407</u>
\$ 1,527,385	\$ 1,615,441	\$ 1,740,298
313,564	325,933	321,125
-	-	3,873
(1,484,133)	2,805,517	1,646,028
(1,409,038)	(1,507,812)	(1,638,486)
<u>(45,159)</u>	<u>(44,266)</u>	<u>(48,596)</u>
(1,097,381)	3,194,813	2,024,242
<u>19,558,314</u>	<u>18,460,933</u>	<u>21,655,746</u>
<u>\$ 18,460,933</u>	<u>\$ 21,655,746</u>	<u>\$ 23,679,988</u>
<u>\$ 15,361,969</u>	<u>\$ 15,089,186</u>	<u>\$ 14,848,419</u>
54.58%	58.94%	61.46%
\$ 3,241,631	\$ 3,346,426	\$ 3,506,100
473.90%	450.90%	423.50%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Seven Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, net of investment expense	2.15%	(1.71%)	8.38%	11.27%	(7.35%)	15.14%	8.15%

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 Seven Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, net of investment expense	2.25%	(1.76%)	8.44%	11.39%	(7.42%)	15.28%	7.62%

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, 2020

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### **BUDGETS**

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

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

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

The budget is adopted on the modified accrual basis of accounting and the current financial resources measurement focus, consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service (except for the General Obligation Bond Series of 2020 Fund), Capital Projects, Enterprise, Internal Service and Pension Trust Funds. Budgetary comparisons are reflected in the Village's financial report for all governmental funds.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

These financial statements and schedules are not required by 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, 2020

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property tax	\$ 11,674,200	\$ 11,674,200	\$ 11,689,029
Municipal sales tax	7,200,000	7,200,000	8,976,874
Home rule sales tax	4,780,000	4,780,000	6,038,100
Real estate transfer tax	385,000	385,000	567,272
Use tax	1,215,000	1,215,000	1,695,618
Utility tax - simplified telephone	310,000	310,000	360,981
Utility tax - natural gas	475,000	475,000	415,263
Utility tax - electric	1,000,000	1,000,000	964,730
Prepared food tax	1,150,000	1,150,000	1,285,026
Auto rental tax	12,500	12,500	7,966
Cannabis use tax	-	-	29,616
Hotel/motel tax	44,500	44,500	38,360
Total taxes	28,246,200	28,246,200	32,068,835
<b>LICENSES AND PERMITS</b>			
Licenses			
Business	72,000	72,000	69,210
Liquor	60,500	60,500	63,961
Contractor	45,000	45,000	40,375
Vendor/solicitor	800	800	50
Animal	500	500	345
Penalties on licenses	29,000	29,000	26,100
Multi-family	92,175	92,175	98,175
Single family	115,000	115,000	73,900
Land use development	-	-	13,700
Cable franchise fee	380,000	380,000	347,089
Solid waste franchise fee	129,816	129,816	130,667
Permits			
Building	290,000	290,000	222,200
Sign	750	750	789
Total licenses and permits	1,215,541	1,215,541	1,086,561
<b>CHARGES FOR SERVICES</b>			
Printed materials	7,000	7,000	5,216
Ambulance fees	870,000	870,000	972,413
Plan review - community development	65,000	65,000	79,647
Building re-inspection fees	600	600	-
Vehicle impoundment fees	510,000	510,000	320,228
CPR fees	2,900	2,900	1,710
ADT administrative fee	6,400	6,400	6,934
Public safety application fee	1,000	1,000	-
Child safety seat installation	-	-	35

(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, 2020

	Original Budget	Final Budget	Actual
<b>CHARGES FOR SERVICES (Continued)</b>			
Rental income	\$ 364,000	\$ 364,000	\$ 235,038
Overweight vehicle	7,500	7,500	8,190
Foreclosure registration	70,000	70,000	68,848
Total charges for services	1,904,400	1,904,400	1,698,259
<b>FINES AND FORFEITS</b>			
Traffic fines - DuPage	195,000	195,000	204,296
Traffic fines - Cook	20,000	20,000	25,144
Ordinance violations	421,600	421,600	663,914
Police false alarm fines	7,500	7,500	900
Fire false alarm fines	4,000	4,000	6,300
Red light camera fines	140,000	140,000	126,836
Kennel fees	1,000	1,000	805
Total fines and forfeits	789,100	789,100	1,028,195
<b>INTERGOVERNMENTAL</b>			
State income tax	3,800,000	3,800,000	4,126,485
Replacement taxes	80,000	80,000	90,327
State grants	48,379	48,379	1,252,533
Federal grants	-	-	18,846
Reimbursement - DuPage County	16,910	16,910	16,910
Reimbursement - ILEAS	450	450	274
Reimbursement - police services	25,000	25,000	29,881
Reimbursement - fire services	50,000	50,000	23,211
Total intergovernmental	4,020,739	4,020,739	5,558,467
<b>INVESTMENT INCOME</b>	281,000	281,000	153,261
<b>MISCELLANEOUS</b>			
Reimbursement - miscellaneous	75,290	75,290	103,816
Hazardous materials	5,000	5,000	1,415
Corporate partnership program	10,000	10,000	12,500
Central equipment funding - Water and Sewer	149,567	149,567	149,567
Miscellaneous income	54,800	54,800	82,859
Total miscellaneous	294,657	294,657	350,157
<b>TOTAL REVENUES</b>	<b>\$ 36,751,637</b>	<b>\$ 36,751,637</b>	<b>\$ 41,943,735</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
President and board of trustees			
Personal services	\$ 38,754	\$ 38,754	\$ 38,700
Commodities	57,556	57,556	43,143
Contractual services	29,790	29,790	7,846
Total president and board of trustees	126,100	126,100	89,689
Village clerk			
Personal services	109,906	109,906	88,835
Commodities	7,660	7,660	1,528
Contractual services	66,481	66,481	98,581
Total village clerk	184,047	184,047	188,944
Village collector			
Personal services	98,079	98,079	86,590
Total village collector	98,079	98,079	86,590
Environmental committee			
Commodities	175	175	57
Contractual services	200	200	-
Total environmental committee	375	375	57
Special events committee			
Contractual services	41,800	41,800	4,008
Total special events committee	41,800	41,800	4,008
Historical commission			
Commodities	2,350	2,350	495
Contractual services	500	500	-
Total historical commission	2,850	2,850	495
Cultural inclusion and diversity committee			
Commodities	200	200	-
Contractual services	3,550	3,550	2,510
Total cultural inclusion and diversity committee	3,750	3,750	2,510

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Sister City committee			
Commodities	\$ 770	\$ 770	\$ 714
Contractual services	5,350	5,350	4,783
Total sister city committee	<u>6,120</u>	<u>6,120</u>	<u>5,497</u>
Citizens corp council committee			
Commodities	850	850	-
Total citizens corp council committee	<u>850</u>	<u>850</u>	<u>-</u>
Veterans committee			
Commodities	250	250	103
Contractual services	1,500	1,500	441
Total veterans committee	<u>1,750</u>	<u>1,750</u>	<u>544</u>
Development commission			
Commodities	750	750	67
Contractual services	50	50	357
Total development commission	<u>800</u>	<u>800</u>	<u>424</u>
CONNECT committee			
Commodities	1,060	1,060	960
Contractual services	4,401	4,401	1,906
Total CONNECT committee	<u>5,461</u>	<u>5,461</u>	<u>2,866</u>
Village manager			
Personal services	562,940	562,940	568,275
Commodities	19,552	19,552	18,719
Contractual services	56,306	56,306	45,877
Total village manager	<u>638,798</u>	<u>638,798</u>	<u>632,871</u>
Human resources			
Personal services	340,006	340,006	338,473
Commodities	32,643	32,643	28,912
Contractual services	114,092	114,092	86,556
Total human resources	<u>486,741</u>	<u>486,741</u>	<u>453,941</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Information technology			
Personal services	\$ 279,399	\$ 279,399	\$ 281,986
Commodities	68,312	68,312	49,825
Contractual services	1,118,708	1,118,708	1,083,339
Total information technology	1,466,419	1,466,419	1,415,150
Finance department administration			
Personal services	182,046	182,046	165,045
Commodities	1,740	1,740	666
Contractual services	8,853	8,853	3,244
Total finance department administration	192,639	192,639	168,955
Collections			
Personal services	175,293	175,293	173,458
Commodities	9,500	9,500	467
Contractual services	775	775	139
Total collections	185,568	185,568	174,064
General accounting			
Personal services	150,232	150,232	150,842
Commodities	2,125	2,125	1,871
Contractual services	45,256	45,256	42,481
Total general accounting	197,613	197,613	195,194
General administrative services			
Personal services	97,985	97,985	98,561
Contractual services	1,135,797	1,135,797	1,113,064
Total general administrative services	1,233,782	1,233,782	1,211,625
COVID-19			
Personal services	-	-	381,720
Commodities	-	-	75,130
Contractual services	-	-	117,016
Capital outlay	-	-	7,497
Total COVID-19	-	-	581,363
Total general government	4,873,542	4,873,542	5,214,787

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC WORKS</b>			
Administration			
Personal services	\$ 160,243	\$ 160,243	\$ 151,899
Commodities	1,350	1,350	1,670
Contractual services	15,350	15,350	11,453
Total administration	<u>176,943</u>	<u>176,943</u>	<u>165,022</u>
Streets			
Personal services	1,110,724	1,110,724	1,013,944
Commodities	146,245	146,245	149,782
Contractual services	399,062	399,062	377,414
Total streets	<u>1,656,031</u>	<u>1,656,031</u>	<u>1,541,140</u>
Forestry			
Personal services	226,859	226,859	199,921
Commodities	20,300	20,300	19,949
Contractual services	361,954	361,954	264,555
Total forestry	<u>609,113</u>	<u>609,113</u>	<u>484,425</u>
Building			
Personal services	313,605	313,605	310,587
Commodities	91,375	91,375	100,245
Contractual services	229,201	229,201	247,461
Total building	<u>634,181</u>	<u>634,181</u>	<u>658,293</u>
Fleet services administration			
Personal services	408,821	408,821	393,023
Commodities	362,750	362,750	280,352
Contractual services	113,831	113,831	79,705
Total fleet services administration	<u>885,402</u>	<u>885,402</u>	<u>753,080</u>
Department of engineering			
Personal services	458,826	458,826	400,800
Commodities	4,412	4,412	3,500
Contractual services	23,578	23,578	12,148
Total department of engineering	<u>486,816</u>	<u>486,816</u>	<u>416,448</u>
Total public works	<u>4,448,486</u>	<u>4,448,486</u>	<u>4,018,408</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY</b>			
Fire department			
Administration			
Personal services	\$ 678,668	\$ 678,668	\$ 667,136
Commodities	9,891	9,891	7,425
Contractual services	23,030	23,030	11,111
Total administration	711,589	711,589	685,672
Fire suppression			
Personal services	6,080,033	6,080,033	6,008,182
Commodities	69,944	69,944	65,876
Contractual services	701,876	701,876	670,145
Total fire suppression	6,851,853	6,851,853	6,744,203
Inspections			
Personal services	705,860	705,860	692,040
Commodities	6,595	6,595	3,081
Contractual services	46,760	46,760	39,984
Total inspections	759,215	759,215	735,105
Emergency transport			
Personal services	49,864	49,864	51,336
Commodities	500	500	-
Total emergency transport	50,364	50,364	51,336
Total fire department	8,373,021	8,373,021	8,216,316
Police department			
Administration			
Personal services	869,815	869,815	921,064
Commodities	10,702	10,702	8,539
Contractual services	22,970	22,970	6,667
Total administration	903,487	903,487	936,270
Patrol division			
Personal services	8,895,486	8,895,486	8,518,161
Commodities	62,396	62,396	61,613
Contractual services	230,082	230,082	208,013
Total patrol division	9,187,964	9,187,964	8,787,787

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Investigations			
Personal services	\$ 1,899,156	\$ 1,899,156	\$ 1,561,592
Commodities	37,018	37,018	31,732
Contractual services	52,825	52,825	50,209
Total investigations	1,988,999	1,988,999	1,643,533
Community services			
Personal services	98,538	98,538	98,541
Commodities	345	345	60
Contractual services	3,200	3,200	3,011
Total community services	102,083	102,083	101,612
Staff services			
Personal services	1,001,802	1,001,802	863,048
Commodities	24,215	24,215	23,972
Contractual services	797,622	797,622	591,027
Total staff services	1,823,639	1,823,639	1,478,047
Code enforcement			
Personal services	550,058	550,058	497,070
Commodities	3,840	3,840	2,513
Contractual services	11,270	11,270	7,466
Total code enforcement	565,168	565,168	507,049
Total police department	14,571,340	14,571,340	13,454,298
Emergency services			
Commodities	4,019	4,019	3,487
Contractual services	5,197	5,197	1,908
Total emergency services	9,216	9,216	5,395
Total public safety	22,953,577	22,953,577	21,676,009

(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, 2020

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>COMMUNITY DEVELOPMENT</b>			
Economic development			
Personal services	\$ 451,244	\$ 451,244	\$ 422,206
Commodities	13,345	13,345	17,347
Contractual services	3,259,265	3,259,265	4,070,294
	<hr/>	<hr/>	<hr/>
Total economic development	3,723,854	3,723,854	4,509,847
	<hr/>	<hr/>	<hr/>
Total community development	3,723,854	3,723,854	4,509,847
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<u>\$ 35,999,459</u>	<u>\$ 35,999,459</u>	<u>\$ 35,419,051</u>

(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. The Bond has been closed out by Bond 2020.

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. The Bond has been closed out by Bond 2020.

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. The Bond has been closed out by Bond 2020.

General Obligation Bond Series of 2020 Fund - This fund is used to accumulate monies restricted for the payment of the \$10,000,000 General Obligation Bond Series of 2010, \$5,000,000 General Obligation Bond Series of 2010A, and \$7,030,000 General Obligation Bond Series of 2011 and the subsequent refunding of those bonds with the \$12,980,000 General Obligation Refunding Bond Series of 2020. Financing is provided by an annual property tax levy. The debt payments have been structured so that they are lower in the earlier years.

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

### **CAPITAL PROJECTS FUNDS**

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

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

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2020

	<u>Special Revenue</u>			
	<u>Road and Bridge</u>	<u>MWRD Fields</u>	<u>State Restricted</u>	<u>Federal Restricted</u>
<b>ASSETS</b>				
Cash and investments	\$ 550,936	\$ 537,519	\$ 345,102	\$ 13,635
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	-	-	-
Accounts	12,431	5,149	7,637	-
<b>TOTAL ASSETS</b>	<b>\$ 563,367</b>	<b>\$ 542,668</b>	<b>\$ 352,739</b>	<b>\$ 13,635</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 55,357	\$ 149	\$ 24,743	\$ -
Retainage payable	8,096	-	-	-
Other payables	-	-	43,751	-
Total liabilities	63,453	149	68,494	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	63,453	149	68,494	-
<b>FUND BALANCES</b>				
Restricted				
Public safety	-	-	284,245	13,635
Highways and streets	499,914	542,519	-	-
Debt service	-	-	-	-
Special service areas	-	-	-	-
Community development	-	-	-	-
Unrestricted				
Assigned				
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	499,914	542,519	284,245	13,635
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 563,367</b>	<b>\$ 542,668</b>	<b>\$ 352,739</b>	<b>\$ 13,635</b>

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	General Obligation Bond Series of 2010A		
\$ 141,420	\$ 368,347	\$ 74,351	\$ 40,469	\$ 36,325	\$ 261,482	\$ -	\$ -		
-	-	-	18,037	21,272	179,635	-	-		
-	87,508	-	-	-	-	-	-		
\$ 141,420	\$ 455,855	\$ 74,351	\$ 58,506	\$ 57,597	\$ 441,117	\$ -	\$ -		
\$ 4,300	\$ 301	\$ 662	\$ -	\$ -	\$ 9,874	\$ -	\$ -		
-	-	-	-	-	-	-	-		
-	52,572	40,000	-	-	-	-	-		
4,300	52,873	40,662	-	-	9,874	-	-		
-	-	-	18,037	21,272	179,635	-	-		
-	-	-	18,037	21,272	179,635	-	-		
4,300	52,873	40,662	18,037	21,272	189,509	-	-		
137,120	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	40,469	36,325	251,608	-	-		
-	402,982	33,689	-	-	-	-	-		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-		
137,120	402,982	33,689	40,469	36,325	251,608	-	-		
\$ 141,420	\$ 455,855	\$ 74,351	\$ 58,506	\$ 57,597	\$ 441,117	\$ -	\$ -		

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (Continued)

December 31, 2020

	Debt Service		Capital Projects		
	General Obligation Bond Series of 2011	General Obligation Bond Refunding Series of 2020	Special Service Area #6	General Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 485,633	\$ 89,905	\$ 1,400,152	\$ 4,345,276
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	1,436,800	-	-	1,655,744
Accounts	-	-	-	925	113,650
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,922,433</b>	<b>\$ 89,905</b>	<b>\$ 1,401,077</b>	<b>\$ 6,114,670</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 145,357	\$ 240,743
Retainage payable	-	-	-	-	8,096
Other payables	-	-	-	-	136,323
Total liabilities	-	-	-	145,357	385,162
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	-	1,436,800	-	-	1,655,744
Total deferred inflows of resources	-	1,436,800	-	-	1,655,744
Total liabilities and deferred inflows of resources	-	1,436,800	-	145,357	2,040,906
<b>FUND BALANCES</b>					
Restricted					
Public safety	-	-	-	-	435,000
Highways and streets	-	-	-	-	1,042,433
Debt service	-	485,633	-	-	485,633
Special service areas	-	-	89,905	-	418,307
Community development	-	-	-	-	436,671
Unrestricted					
Assigned					
Capital improvements	-	-	-	1,255,720	1,255,720
Unassigned	-	-	-	-	-
Total fund balances	-	485,633	89,905	1,255,720	4,073,764
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 1,922,433</b>	<b>\$ 89,905</b>	<b>\$ 1,401,077</b>	<b>\$ 6,114,670</b>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2020

	Special Revenue			
	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 105,009	\$ -	\$ -	\$ -
Gasoline	117,111	-	-	-
Video gaming tax	-	115,561	-	-
Foreign fire insurance tax	-	-	-	-
Intergovernmental				
Personal property replacement taxes	3,480	-	-	-
Grants	-	-	-	-
Other intergovernmental	-	-	-	-
Licenses and permits	-	56,500	-	-
Fines and forfeits	-	-	33,691	-
Investment income	4,883	2,389	1,571	73
Miscellaneous	1,364	-	-	-
Total revenues	231,847	174,450	35,262	73
<b>EXPENDITURES</b>				
Current				
Community development	-	-	-	-
Public safety	-	-	39,389	-
Highways and streets	910,523	-	-	-
Capital outlay	182,739	33,472	-	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	1,093,262	33,472	39,389	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(861,415)	140,978	(4,127)	73
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued, at par	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	572,000	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	572,000	-	-	-
NET CHANGE IN FUND BALANCES	(289,415)	140,978	(4,127)	73
FUND BALANCES (DEFICIT), JANUARY 1	789,329	401,541	288,372	13,562
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 499,914</b>	<b>\$ 542,519</b>	<b>\$ 284,245</b>	<b>\$ 13,635</b>

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	General Obligation Bond Series of 2010A
\$ -	\$ 437,687	\$ 102,457	\$ 17,679	\$ 19,327	\$ 170,054	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,193	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	8,599	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
536	365	85	201	223	1,066	1,553	819
-	-	-	-	-	-	-	-
42,729	438,052	111,141	17,880	19,550	171,120	1,553	819
-	17,581	6,539	17,647	26,790	124,743	-	-
4,300	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	100	1,153
4,300	17,581	6,539	17,647	26,790	124,743	100	1,153
38,429	420,471	104,602	233	(7,240)	46,377	1,453	(334)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(229,929)	(111,549)
-	-	-	-	-	-	(229,929)	(111,549)
38,429	420,471	104,602	233	(7,240)	46,377	(228,476)	(111,883)
98,691	(17,489)	(70,913)	40,236	43,565	205,231	228,476	111,883
\$ 137,120	\$ 402,982	\$ 33,689	\$ 40,469	\$ 36,325	\$ 251,608	\$ -	\$ -

(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, 2020

	Debt Service		Capital Projects		Total Nonmajor Governmental Funds
	General Obligation Bond Series of 2011	General Obligation Bond Refunding Series of 2020	Special Service Area #6	General Capital Projects	
<b>REVENUES</b>					
Taxes					
Property taxes	\$ -	\$ 1,711,393	\$ 78,019	\$ -	\$ 2,641,625
Gasoline	-	-	-	-	117,111
Video gaming tax	-	-	-	-	115,561
Foreign fire insurance tax	-	-	-	-	42,193
Intergovernmental					
Personal property replacement taxes	-	-	-	-	3,480
Grants	-	-	-	-	8,599
Other intergovernmental	-	-	-	-	-
Licenses and permits	-	-	-	-	56,500
Fines and forfeits	-	-	-	-	33,691
Investment income	1,079	835	231	6,469	22,378
Miscellaneous	-	-	-	38,092	39,456
Total revenues	1,079	1,712,228	78,250	44,561	3,080,594
<b>EXPENDITURES</b>					
Current					
Community development	-	-	-	-	193,300
Public safety	-	-	-	-	43,689
Highways and streets	-	-	-	-	910,523
Capital outlay	-	-	-	450,468	666,679
Debt service					
Principal retirement	-	1,310,000	-	-	1,310,000
Interest	-	399,496	289	-	399,785
Fiscal charges	-	97,804	-	-	99,057
Total expenditures	-	1,807,300	289	450,468	3,623,033
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,079	(95,072)	77,961	(405,907)	(542,439)
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued, at par	-	12,980,000	-	-	12,980,000
Premium on refunding bonds issued	-	1,868,674	-	-	1,868,674
Payment to escrow agent	-	(14,747,201)	-	-	(14,747,201)
Transfers in	-	479,232	-	622,543	1,673,775
Transfers (out)	(137,753)	-	-	-	(479,231)
Total other financing sources (uses)	(137,753)	580,705	-	622,543	1,296,017
NET CHANGE IN FUND BALANCES	(136,674)	485,633	77,961	216,636	753,578
FUND BALANCES (DEFICIT), JANUARY 1	136,674	-	11,944	1,039,084	3,320,186
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ -</b>	<b>\$ 485,633</b>	<b>\$ 89,905</b>	<b>\$ 1,255,720</b>	<b>\$ 4,073,764</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**ROAD AND BRIDGE FUND**

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

For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 105,000	\$ 105,000	\$ 105,009
Gasoline	132,000	132,000	117,111
Intergovernmental			
Personal property replacement taxes	1,000	1,000	3,480
Grants	1,016,800	1,152,800	-
Miscellaneous	-	-	1,364
Investment income	7,000	7,000	4,883
 Total revenues	 1,261,800	 1,397,800	 231,847
<b>EXPENDITURES</b>			
Current			
Commodities	172,500	172,500	164,309
Contractual services	853,628	1,059,518	746,214
Capital outlay	820,004	1,037,003	182,739
 Total expenditures	 1,846,132	 2,269,021	 1,093,262
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (584,332)	 (871,221)	 (861,415)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	572,000	572,000	572,000
 Total other financing sources (uses)	 572,000	 572,000	 572,000
 NET CHANGE IN FUND BALANCE	 \$ (12,332)	 \$ (299,221)	 (289,415)
 FUND BALANCE, JANUARY 1			 789,329
 FUND BALANCE, DECEMBER 31			 \$ 499,914

(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, 2020

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Video gaming	\$ 190,800	\$ 190,800	\$ 115,561
Licenses and permits	52,000	52,000	56,500
Intergovernmental			
Grants	1,042,000	1,042,000	-
Investment income	5,000	5,000	2,389
	<hr/>	<hr/>	<hr/>
Total revenues	1,289,800	1,289,800	174,450
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Capital outlay	1,579,325	1,579,325	33,472
	<hr/>	<hr/>	<hr/>
Total expenditures	1,579,325	1,579,325	33,472
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (289,525)</u>	<u>\$ (289,525)</u>	140,978
FUND BALANCE, JANUARY 1			<hr/> 401,541
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 542,519</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATE RESTRICTED FUND

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

For the Year Ended December 31, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Fines and forfeits			
DUI fines	\$ 20,000	\$ 20,000	\$ 16,946
Traffic court supervision	-	-	2,365
Violent offender registration fee	-	-	10
Drug forfeiture	20,000	20,000	13,950
Fees	665	665	420
Investment income	3,000	3,000	1,571
Total revenues	<u>43,665</u>	<u>43,665</u>	<u>35,262</u>
<b>EXPENDITURES</b>			
Current			
Contractual services	<u>115,651</u>	<u>115,651</u>	<u>39,389</u>
Total expenditures	<u>115,651</u>	<u>115,651</u>	<u>39,389</u>
NET CHANGE IN FUND BALANCE	<u>\$ (71,986)</u>	<u>\$ (71,986)</u>	(4,127)
FUND BALANCE, JANUARY 1			<u>288,372</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 284,245</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, 2020

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,000	\$ 1,000	\$ -
Investment income	150	150	73
Total revenues	<u>1,150</u>	<u>1,150</u>	<u>73</u>
<b>EXPENDITURES</b>			
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>\$ 650</u>	<u>\$ 650</u>	<u>73</u>
FUND BALANCE, JANUARY 1			<u>13,562</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 13,635</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, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Foreign fire insurance tax	\$ 40,000	\$ 40,000	\$ 42,193
Investment income	1,500	1,500	536
Total revenues	41,500	41,500	42,729
<b>EXPENDITURES</b>			
Commodities	30,000	30,000	4,300
Total expenditures	30,000	30,000	4,300
NET CHANGE IN FUND BALANCE	<u>\$ 11,500</u>	<u>\$ 11,500</u>	38,429
FUND BALANCE, JANUARY 1			<u>98,691</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 137,120</u></u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**TAX INCREMENT FINANCING #4 FUND**

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

For the Year Ended December 31, 2020

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 25,700	\$ 25,700	\$ 437,687
Investment income	150	150	365
Total revenues	<u>25,850</u>	<u>25,850</u>	<u>438,052</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	<u>45,000</u>	<u>45,000</u>	<u>17,581</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>17,581</u>
NET CHANGE IN FUND BALANCE	<u>\$ (19,150)</u>	<u>\$ (19,150)</u>	420,471
FUND BALANCE (DEFICIT), JANUARY 1			<u>(17,489)</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 402,982</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, 2020

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 10,350	\$ 10,350	\$ 102,457
Intergovernmental Grants	-	-	8,599
Investment income	100	100	85
	<hr/>	<hr/>	<hr/>
Total revenues	10,450	10,450	111,141
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Community development Contractual services	30,000	30,000	6,539
	<hr/>	<hr/>	<hr/>
Total expenditures	30,000	30,000	6,539
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (19,550)</u>	<u>\$ (19,550)</u>	104,602
FUND BALANCE (DEFICIT), JANUARY 1			<u>(70,913)</u>
FUND BALANCE, DECEMBER 31			<u>\$ 33,689</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, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 17,178	\$ 17,178	\$ 17,679
Investment income	500	500	201
Total revenues	<u>17,678</u>	<u>17,678</u>	<u>17,880</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services			
Equipment rentals	20,506	20,506	17,647
Capital outlay	7,000	7,000	-
Total expenditures	<u>27,506</u>	<u>27,506</u>	<u>17,647</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,828)</u>	<u>\$ (9,828)</u>	233
FUND BALANCE, JANUARY 1			<u>40,236</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 40,469</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, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 20,259	\$ 20,259	\$ 19,327
Investment income	500	500	223
Total revenues	<u>20,759</u>	<u>20,759</u>	<u>19,550</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services	31,368	31,368	26,790
Capital outlay	9,000	9,000	-
Total expenditures	<u>40,368</u>	<u>40,368</u>	<u>26,790</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (19,609)</u>	<u>\$ (19,609)</u>	(7,240)
<b>FUND BALANCE, JANUARY 1</b>			<u>43,565</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 36,325</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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 171,081	\$ 171,081	\$ 170,054
Investment income	1,000	1,000	1,066
	<hr/>	<hr/>	<hr/>
Total revenues	172,081	172,081	171,120
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	174,403	174,403	124,743
	<hr/>	<hr/>	<hr/>
Total expenditures	174,403	174,403	124,743
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (2,322)	\$ (2,322)	46,377
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			205,231
			<hr/>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 251,608</b>
			<hr/>

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 629,627	\$ 629,627	\$ -
Intergovernmental	132,000	132,000	-
Investment income	3,001	3,001	1,553
	<hr/>	<hr/>	<hr/>
Total revenues	764,628	764,628	1,553
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Debt service			
Principal	330,000	330,000	-
Interest	431,628	431,628	-
Fiscal charge	1,500	1,500	100
	<hr/>	<hr/>	<hr/>
Total expenditures	763,128	763,128	100
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,500	1,500	1,453
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	-	(229,929)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(229,929)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 1,500	\$ 1,500	(228,476)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			228,476
			<hr/>
FUND BALANCE, DECEMBER 31			\$ -
			<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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 427,237	\$ 427,237	\$ -
Intergovernmental	30,000	30,000	-
Investment income	2,001	2,001	819
	<hr/>	<hr/>	<hr/>
Total revenues	459,238	459,238	819
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Debt service			
Principal	200,000	200,000	-
Interest	257,238	257,238	-
Fiscal charge	1,500	1,500	1,153
	<hr/>	<hr/>	<hr/>
Total expenditures	458,738	458,738	1,153
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	500	500	(334)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	-	(111,549)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(111,549)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	(111,883)
			<hr/>
FUND BALANCE, JANUARY 1			111,883
			<hr/>
FUND BALANCE, DECEMBER 31			<u>\$ -</u>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

GENERAL OBLIGATION BOND SERIES OF 2011 FUND

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

For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 655,650	\$ 655,650	\$ -
Investment income	3,000	3,000	1,079
Total revenues	<u>658,650</u>	<u>658,650</u>	<u>1,079</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	565,000	565,000	-
Interest	90,650	90,650	-
Fiscal charge	1,500	1,500	-
Total expenditures	<u>657,150</u>	<u>657,150</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,500</u>	<u>1,500</u>	<u>1,079</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	-	(137,753)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(137,753)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,500</u>	<u>\$ 1,500</u>	(136,674)
FUND BALANCE, JANUARY 1			<u>136,674</u>
FUND BALANCE, DECEMBER 31			<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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 75,100	\$ 75,100	\$ 78,019
Investment income	480	480	231
Total revenues	<u>75,580</u>	<u>75,580</u>	<u>78,250</u>
<b>EXPENDITURES</b>			
Community development			
Contractual services	4,722	4,722	-
Debt service			
Interest	290	290	289
Total expenditures	<u>5,012</u>	<u>5,012</u>	<u>289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>70,568</u>	<u>70,568</u>	<u>77,961</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(70,088)</u>	<u>(70,088)</u>	<u>-</u>
Total other financing sources (uses)	<u>(70,088)</u>	<u>(70,088)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 480</u>	<u>\$ 480</u>	<u>77,961</u>
FUND BALANCE, JANUARY 1			<u>11,944</u>
FUND BALANCE, DECEMBER 31			<u>\$ 89,905</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment income	\$ 5,000	\$ 5,000	\$ 6,469
Intergovernmental	200,000	200,000	-
Miscellaneous	38,012	38,012	38,092
Total revenues	243,012	243,012	44,561
<b>EXPENDITURES</b>			
Capital outlay			
Buildings	415,000	415,000	39,094
Other improvements	440,000	473,445	104,689
Office equipment	15,000	15,000	-
Other equipment	366,323	366,323	306,685
Total expenditures	1,236,323	1,269,768	450,468
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(993,311)	(1,026,756)	(405,907)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	622,544	622,544	622,543
Total other financing sources (uses)	622,544	622,544	622,543
NET CHANGE IN FUND BALANCE	\$ (370,767)	\$ (404,212)	216,636
FUND BALANCE, JANUARY 1			1,039,084
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,255,720</b>

(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, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Water sales	\$ 6,875,000	\$ 6,875,000	\$ 7,032,220
Sewer service	2,687,000	2,687,000	2,764,977
Water penalties	300,000	300,000	177,445
Water tap-on fees	54,000	54,000	19,627
Meter sales	9,000	9,000	2,715
Intergovernmental revenue	37,500	37,500	37,500
Miscellaneous	460,328	460,328	321,838
	<hr/>		
Total operating revenues	10,422,828	10,422,828	10,356,322
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Administration			
Personal services	1,430,192	1,430,192	1,305,445
Commodities	4,451	4,451	4,463
Contractual services	832,508	832,508	460,946
Operations - water			
Personal services	892,693	892,693	681,269
Commodities	136,235	153,235	130,062
Contractual services	5,546,614	5,546,614	5,771,249
Capital outlay	1,305,000	1,842,657	1,762,782
Operations - sewer			
Personal services	911,606	911,606	774,568
Commodities	113,499	113,499	99,928
Contractual services	809,741	847,772	810,884
Capital outlay	412,500	515,827	36,250
	<hr/>		
Total operating expenses excluding depreciation	12,395,039	13,091,054	11,837,846
	<hr/>		
OPERATING INCOME (LOSS)	(1,972,211)	(2,668,226)	(1,481,524)

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 125,000	\$ 125,000	\$ 77,679
Infrastructure surcharge	1,578,100	1,578,100	1,574,414
Amortization expense	-	-	(7,255)
Total non-operating revenues (expenses)	<u>1,703,100</u>	<u>1,703,100</u>	<u>1,644,838</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ (269,111)</u>	<u>\$ (965,126)</u>	<u>163,314</u>
<b>TRANSFERS</b>			
Transfers (out)	-	(23,400)	(23,400)
Total transfers	-	<u>(23,400)</u>	<u>(23,400)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>(269,111)</u>	<u>(988,526)</u>	<u>139,914</u>
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized			1,715,737
Depreciation			<u>(1,000,531)</u>
Total adjustments to GAAP basis			<u>715,206</u>
CHANGE IN NET POSITION - GAAP BASIS			855,120
NET POSITION, JANUARY 1			<u>30,738,645</u>
<b>NET POSITION, DECEMBER 31</b>			<u><u>\$ 31,593,765</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 423,364	\$ 423,364	\$ 182,541
Other	1,302,400	1,302,400	600
Total operating revenues	1,725,764	1,725,764	183,141
<b>OPERATING EXPENSES</b>			
Operations			
Personal services	179,591	179,591	169,487
Commodities	5,794	5,794	5,161
Contractual services	108,198	108,198	87,640
Capital outlay	1,375,000	1,375,000	-
Depreciation	90,000	90,000	78,207
Total operating expenses	1,758,583	1,758,583	340,495
OPERATING INCOME (LOSS)	(32,819)	(32,819)	(157,354)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	4,000	4,000	2,590
Total non-operating revenues (expenses)	4,000	4,000	2,590
CHANGE IN NET POSITION - BUDGET BASIS	(28,819)	(28,819)	(154,764)
Assets capitalized	-	-	-
Total adjustments to GAAP basis	-	-	-
CHANGE IN NET POSITION - GAAP BASIS	\$ (28,819)	\$ (28,819)	(154,764)
NET POSITION, JANUARY 1			2,682,957
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 2,528,193</b>

(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, 2020

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	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 6,255,467	\$ 812,332	\$ 7,067,799
Receivables			
Accrued interest	3	-	3
Prepaid expenses	-	18,684	18,684
	<hr/>		
Total current assets	6,255,470	831,016	7,086,486
	<hr/>		
<b>CAPITAL ASSETS</b>			
Depreciable, net of accumulated depreciation	5,490,812	142,762	5,633,574
	<hr/>		
Net capital assets	5,490,812	142,762	5,633,574
	<hr/>		
Total assets	11,746,282	973,778	12,720,060
	<hr/>		
<b>CURRENT LIABILITIES</b>			
Accounts payable	167,058	8,486	175,544
	<hr/>		
Total current liabilities	167,058	8,486	175,544
	<hr/>		
<b>LONG-TERM LIABILITIES</b>			
None	-	-	-
	<hr/>		
Total long-term liabilities	-	-	-
	<hr/>		
Total liabilities	167,058	8,486	175,544
	<hr/>		
<b>NET POSITION</b>			
Invested in capital assets	5,490,812	142,762	5,633,574
Unrestricted	6,088,412	822,530	6,910,942
	<hr/>		
<b>TOTAL NET POSITION</b>	<b>\$ 11,579,224</b>	<b>\$ 965,292</b>	<b>\$ 12,544,516</b>
	<hr/>		

(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, 2020

	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,314,978	\$ 582,692	\$ 1,897,670
Total operating revenues	1,314,978	582,692	1,897,670
<b>OPERATING EXPENSES</b>			
Depreciation	932,503	11,421	943,924
Capital outlay	7,195	321,635	328,830
Total operating expenses	939,698	333,056	1,272,754
OPERATING INCOME	375,280	249,636	624,916
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	33,566	3,459	37,025
Gain on disposal of capital assets	16,489	-	16,489
Total non-operating revenues (expenses)	50,055	3,459	53,514
NET INCOME BEFORE TRANSFERS	425,335	253,095	678,430
<b>TRANSFERS</b>			
Transfers in	78,000	-	78,000
Total transfers	78,000	-	78,000
CHANGE IN NET POSITION	503,335	253,095	756,430
NET POSITION, JANUARY 1	11,075,889	712,197	11,788,086
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 11,579,224</b>	<b>\$ 965,292</b>	<b>\$ 12,544,516</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services	\$ 1,314,978	\$ 582,692	\$ 1,897,670
Payments to suppliers	(127,448)	(346,546)	(473,994)
Net cash from operating activities	1,187,530	236,146	1,423,676
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	78,000	-	78,000
Net cash from noncapital financing activities	78,000	-	78,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	(743,801)	-	(743,801)
Proceeds from sale of capital assets	44,239	-	44,239
Net cash from capital and related financing activities	(699,562)	-	(699,562)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	33,588	3,459	37,047
Net cash from investing activities	33,588	3,459	37,047
NET INCREASE IN CASH AND CASH EQUIVALENTS	599,556	239,605	839,161
CASH AND CASH EQUIVALENTS, JANUARY 1	5,655,911	572,727	6,228,638
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 6,255,467</b>	<b>\$ 812,332</b>	<b>\$ 7,067,799</b>

(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, 2020

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	<b>Central Equipment</b>	<b>IT Equipment Replacement</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 375,280	\$ 249,636	\$ 624,916
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	932,503	11,421	943,924
Increase (decrease) in			
Prepaid expenses	-	16,015	16,015
Accounts payable	(120,253)	(40,926)	(161,179)
	<hr/>	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,187,530</b>	<b>\$ 236,146</b>	<b>\$ 1,423,676</b>
<b>CASH AND INVESTMENTS</b>			
Cash and cash equivalents	\$ 6,255,467	\$ 812,332	\$ 7,067,799
	<hr/>	<hr/>	<hr/>
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 6,255,467</b>	<b>\$ 812,332</b>	<b>\$ 7,067,799</b>
<b>NONCASH NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets through accounts payable	\$ 162,658	\$ -	\$ 162,658
	<hr/>	<hr/>	<hr/>

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Interfund services	\$ 1,314,978	\$ 1,314,978	\$ 1,314,978
Total operating revenues	1,314,978	1,314,978	1,314,978
<b>OPERATING EXPENSES</b>			
Capital outlay	1,000,300	1,078,300	913,654
Depreciation	950,000	950,000	932,503
Total operating expenses	1,950,300	2,028,300	1,846,157
OPERATING INCOME (LOSS)	(635,322)	(713,322)	(531,179)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	50,000	50,000	33,566
Gain on disposal of capital assets	-	-	16,489
Total non-operating revenues (expenses)	50,000	50,000	50,055
CHANGE IN NET POSITION - BUDGET BASIS	(585,322)	(663,322)	(481,124)
<b>TRANSFERS</b>			
Transfer in	-	78,000	78,000
Total transfers	-	78,000	78,000
NET INCOME - BUDGET BASIS	\$ (585,322)	\$ (585,322)	(403,124)
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized			906,459
Total adjustments to GAAP basis			906,459
CHANGE IN NET POSITION - GAAP BASIS			503,335
NET POSITION, JANUARY 1			11,075,889
NET POSITION, DECEMBER 31			\$ 11,579,224

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>			
Interfund services	\$ 582,692	\$ 582,692	\$ 582,692
Total operating revenues	<u>582,692</u>	<u>582,692</u>	<u>582,692</u>
<b>OPERATING EXPENSES</b>			
Capital outlay	<u>375,000</u>	<u>375,000</u>	<u>321,635</u>
Total operating expenses	<u>375,000</u>	<u>375,000</u>	<u>321,635</u>
OPERATING INCOME	<u>207,692</u>	<u>207,692</u>	<u>261,057</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	<u>3,000</u>	<u>3,000</u>	<u>3,459</u>
Total non-operating revenues (expenses)	<u>3,000</u>	<u>3,000</u>	<u>3,459</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ 210,692</u>	<u>\$ 210,692</u>	<u>264,516</u>
<b>ADJUSTMENT TO GAAP BASIS</b>			
Assets capitalized			-
Depreciation			<u>(11,421)</u>
Total adjustments to GAAP basis			<u>(11,421)</u>
CHANGE IN NET POSITION - GAAP BASIS			253,095
NET POSITION, JANUARY 1			<u>712,197</u>
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 965,292</u>

(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, 2020

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,308,768	\$ 991,133	\$ 2,299,901
Investments			
U.S. Government and U.S. agency obligations	8,267,079	4,099,291	12,366,370
Money market mutual funds	96,661	53,932	150,593
Corporate bonds	3,697,732	2,698,767	6,396,499
Negotiable certificates of deposit	224,623	-	224,623
Mutual funds	25,755,900	15,798,875	41,554,775
Illinois Metropolitan Investment Fund	10	25	35
Receivables			
Accrued interest	71,382	42,746	114,128
Prepaid items	3,798	594	4,392
Due from other funds	40,321	-	40,321
Total assets	39,466,274	23,685,363	63,151,637
<b>LIABILITIES</b>			
Accounts payable	9,178	5,375	14,553
Total liabilities	9,178	5,375	14,553
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 39,457,096</b>	<b>\$ 23,679,988</b>	<b>\$ 63,137,084</b>

(See independent auditor's report.)

**VILLAGE OF HANOVER PARK, ILLINOIS**

**PENSION TRUST FUNDS**

**COMBINING STATEMENT OF CHANGES IN NET POSITION**

For the Year Ended December 31, 2020

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 2,897,330	\$ 1,740,298	\$ 4,637,628
Employee contributions	556,410	324,998	881,408
Total contributions	<u>3,453,740</u>	<u>2,065,296</u>	<u>5,519,036</u>
Investment income			
Net appreciation in fair value of investments	2,086,203	1,209,784	3,295,987
Interest	810,242	471,077	1,281,319
Total investment income	<u>2,896,445</u>	<u>1,680,861</u>	<u>4,577,306</u>
Less investment expense	<u>(58,168)</u>	<u>(34,833)</u>	<u>(93,001)</u>
Net investment income	<u>2,838,277</u>	<u>1,646,028</u>	<u>4,484,305</u>
Total additions	<u>6,292,017</u>	<u>3,711,324</u>	<u>10,003,341</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	3,160,583	1,638,486	4,799,069
Administrative expenses	61,964	48,596	110,560
Total deductions	<u>3,222,547</u>	<u>1,687,082</u>	<u>4,909,629</u>
NET INCREASE	3,069,470	2,024,242	5,093,712
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	<u>36,387,626</u>	<u>21,655,746</u>	<u>58,043,372</u>
December 31	<u>\$ 39,457,096</u>	<u>\$ 23,679,988</u>	<u>\$ 63,137,084</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 2,890,977	\$ 2,890,977	\$ 2,897,330
Employee contributions	560,900	560,900	556,410
Total contributions	<u>3,451,877</u>	<u>3,451,877</u>	<u>3,453,740</u>
Investment income			
Net appreciation in fair value of investments	1,200,000	1,200,000	2,086,203
Interest	145,000	145,000	810,242
Total investment income	<u>1,345,000</u>	<u>1,345,000</u>	<u>2,896,445</u>
Less investment expense	<u>(60,000)</u>	<u>(60,000)</u>	<u>(58,168)</u>
Net investment income	<u>1,285,000</u>	<u>1,285,000</u>	<u>2,838,277</u>
Total additions	<u>4,736,877</u>	<u>4,736,877</u>	<u>6,292,017</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	2,910,790	2,910,790	3,160,583
Administrative expenses	60,630	60,630	61,964
Total deductions	<u>2,971,420</u>	<u>2,971,420</u>	<u>3,222,547</u>
NET INCREASE	<u>\$ 1,765,457</u>	<u>\$ 1,765,457</u>	<u>3,069,470</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1			<u>36,387,626</u>
December 31			<u>\$ 39,457,096</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 1,735,748	\$ 1,735,748	\$ 1,740,298
Employee contributions	323,000	323,000	324,998
Total contributions	2,058,748	2,058,748	2,065,296
Investment income			
Net appreciation in fair value of investments	800,000	800,000	1,209,784
Interest	75,000	75,000	471,077
Total investment income	875,000	875,000	1,680,861
Less investment expense	(38,000)	(38,000)	(34,833)
Net investment income	837,000	837,000	1,646,028
Total additions	2,895,748	2,895,748	3,711,324
<b>DEDUCTIONS</b>			
Benefits and refunds	1,647,600	1,647,600	1,638,486
Administrative expenses	55,830	55,830	48,596
Total deductions	1,703,430	1,703,430	1,687,082
NET INCREASE	\$ 1,192,318	\$ 1,192,318	2,024,242
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1			21,655,746
December 31			\$ 23,679,988

(See independent auditor's report.)

**OTHER SUPPLEMENTAL INFORMATION**

**VILLAGE OF HANOVER PARK, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2020

December 31, 2020

Date of Issue	February 24, 2020
Date of Maturity	December 1, 2030
Authorized Issue	\$ 12,980,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.00%
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			June 1	Interest Due on		
	Principal	Interest	Total		Amount	December 1	Amount
2020	\$ 970,000	\$ 466,800	\$ 1,436,800	2021	\$ 233,400	2021	\$ 233,400
2021	1,010,000	428,000	1,438,000	2022	214,000	2022	214,000
2022	1,050,000	387,600	1,437,600	2023	193,800	2023	193,800
2023	1,095,000	345,600	1,440,600	2024	172,800	2024	172,800
2024	1,135,000	301,800	1,436,800	2025	150,900	2025	150,900
2025	1,185,000	256,400	1,441,400	2026	128,200	2026	128,200
2026	1,230,000	209,000	1,439,000	2027	104,500	2027	104,500
2027	1,280,000	159,800	1,439,800	2028	79,900	2028	79,900
2028	1,330,000	108,600	1,438,600	2029	54,300	2029	54,300
2029	1,385,000	55,400	1,440,400	2030	27,700	2030	27,700
	<u>\$ 11,670,000</u>	<u>\$ 2,719,000</u>	<u>\$ 14,389,000</u>		<u>\$ 1,359,500</u>		<u>\$ 1,359,500</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>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	149-158
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 45,248,341	\$ 48,546,851	\$ 48,743,363	\$ 49,462,602
Restricted	5,048,350	4,829,701	5,294,935	4,835,944
Unrestricted	15,514,984	11,779,582	14,654,715	17,292,137
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 65,811,675</b>	<b>\$ 65,156,134</b>	<b>\$ 68,693,013</b>	<b>\$ 71,590,683</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 26,694,874	\$ 27,371,016	\$ 26,941,735	\$ 28,088,831
Restricted	13,644	-	-	-
Unrestricted	6,277,037	7,296,568	8,581,691	8,965,544
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 32,985,555</b>	<b>\$ 34,667,584</b>	<b>\$ 35,523,426</b>	<b>\$ 37,054,375</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 71,943,215	\$ 75,917,867	\$ 75,685,098	\$ 77,551,433
Restricted	5,061,994	4,829,701	5,294,935	4,835,944
Unrestricted	21,792,021	19,076,150	23,236,406	26,257,681
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 98,797,230</b>	<b>\$ 99,823,718</b>	<b>\$ 104,216,439</b>	<b>\$ 108,645,058</b>

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

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

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

Data Source

Audited Financial Statements

<b>2015**</b>	<b>2016</b>	<b>2017</b>	<b>2018***</b>	<b>2019</b>	<b>2020</b>
\$ 50,362,373	\$ 52,470,477	\$ 53,331,685	\$ 56,319,828	\$ 59,646,563	\$ 64,256,664
6,932,172	7,366,374	8,097,770	9,354,849	11,225,970	11,030,353
(14,151,561)	(14,420,304)	(14,243,345)	(17,856,992)	(13,530,269)	(7,402,325)
<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>	<u>\$ 67,884,692</u>
\$ 23,651,515	\$ 23,578,647	\$ 23,575,332	\$ 23,868,701	\$ 23,624,289	\$ 24,261,288
-	-	-	-	-	-
8,534,548	8,846,752	8,984,517	8,967,072	9,797,313	9,860,670
<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>	<u>\$ 34,121,958</u>
\$ 74,013,888	\$ 76,049,124	\$ 76,907,017	\$ 80,188,529	\$ 83,270,852	\$ 88,517,952
6,932,172	7,366,374	8,097,770	9,354,849	11,225,970	11,030,353
(5,617,013)	(5,573,552)	(5,258,828)	(8,889,920)	(3,732,956)	2,458,345
<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>	<u>\$ 102,006,650</u>

**VILLAGE OF HANOVER PARK, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 4,634,174	\$ 4,988,649	\$ 4,297,802	\$ 2,111,972
Public works	5,183,573	4,070,954	4,211,656	2,876,529
Public safety	15,473,122	18,014,749	18,224,677	12,928,235
Community development	8,971,096	711,260	681,395	1,858,421
Highways and streets	1,499,979	3,946,982	3,522,824	2,276,624
Interest	1,041,142	1,054,210	1,076,381	976,489
Total governmental activities expenses	<u>36,803,086</u>	<u>32,786,804</u>	<u>32,014,735</u>	<u>23,028,270</u>
Business-type activities				
Water and sewer	8,443,812	8,976,177	9,998,473	7,265,389
Parking	309,014	280,836	387,584	202,907
Hanover Square	230,810	694,736	694,530	524,861
Total business-type activities expenses	<u>8,983,636</u>	<u>9,951,749</u>	<u>11,080,587</u>	<u>7,993,157</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 45,786,722</u>	<u>\$ 42,738,553</u>	<u>\$ 43,095,322</u>	<u>\$ 31,021,427</u>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 1,106,938	\$ 1,157,752	\$ 1,212,828	\$ 769,081
Public safety	1,969,673	2,045,438	1,989,029	1,286,735
Community development	14,116	22,493	61,714	42,531
Public works	126,584	150,684	245,355	193,819
Operating grants and contributions	1,432,867	1,228,338	1,343,393	1,082,681
Capital grants and contributions	475,557	318,006	266,197	-
Total governmental activities program revenues	<u>5,125,735</u>	<u>4,922,711</u>	<u>5,118,516</u>	<u>3,374,847</u>
Business-type activities				
Charges for services				
Water and sewer	8,889,712	10,210,092	11,077,306	7,089,864
Parking	328,749	317,446	371,185	265,895
Hanover Square	236,916	669,670	710,703	560,678
Capital grants and contributions	102,105	688,932	180,126	-
Total business-type activities program revenues	<u>9,557,482</u>	<u>11,886,140</u>	<u>12,339,320</u>	<u>7,916,437</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 14,683,217</u>	<u>\$ 16,808,851</u>	<u>\$ 17,457,836</u>	<u>\$ 11,291,284</u>

<b>2015**</b>	<b>2016</b>	<b>2017</b>	<b>2018***</b>	<b>2019</b>	<b>2020</b>
\$ 4,114,698	\$ 5,009,322	\$ 5,760,254	\$ 4,502,681	\$ 5,296,307	\$ 5,796,773
3,706,168	5,182,283	6,368,070	5,015,307	5,533,768	4,396,004
19,447,414	20,981,314	21,225,292	23,825,108	23,384,681	22,301,152
4,022,556	4,005,981	3,618,986	4,193,206	4,082,104	5,149,348
1,917,673	703,424	866,856	591,102	700,207	881,961
646,489	925,399	894,677	858,826	819,786	323,799
33,854,998	36,807,723	38,734,135	38,986,230	39,816,853	38,849,037
11,338,126	11,669,151	12,302,852	11,535,226	11,262,405	11,129,895
373,475	380,323	341,781	336,950	390,377	340,495
593,909	-	-	-	-	-
12,305,510	12,049,474	12,644,633	11,872,176	11,652,782	11,470,390
\$ 46,160,508	\$ 48,857,197	\$ 51,378,768	\$ 50,858,406	\$ 51,469,635	\$ 50,319,427
\$ 1,125,855	\$ 1,315,662	\$ 1,322,448	\$ 1,330,699	\$ 1,478,753	\$ 1,238,169
1,894,715	2,043,407	2,113,433	2,540,205	2,561,575	2,362,402
18,758	11,794	16,181	68,644	3,849,912	173,563
337,246	283,057	327,493	330,295	335,096	246,916
1,600,902	1,267,251	1,522,434	1,946,078	1,831,037	3,757,088
258,796	255,138	247,958	-	-	-
5,236,272	5,176,309	5,549,947	6,215,921	10,056,373	7,778,138
10,749,484	10,615,438	10,577,058	10,382,911	10,172,855	10,356,322
389,405	443,695	393,290	432,160	400,871	183,141
643,541	-	-	-	-	-
-	-	-	-	-	-
11,782,430	11,059,133	10,970,348	10,815,071	10,573,726	10,539,463
\$ 17,018,702	\$ 16,235,442	\$ 16,520,295	\$ 17,030,992	\$ 20,630,099	\$ 18,317,601

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2014*
<b>NET (EXPENSES) REVENUES</b>				
Governmental activities	\$ (31,677,351)	\$ (27,864,093)	\$ (26,896,219)	\$ (19,379,137)
Business-type activities	573,846	1,934,391	1,258,733	(76,720)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES</b>	<b>\$ (31,103,505)</b>	<b>\$ (25,929,702)</b>	<b>\$ (25,637,486)</b>	<b>\$ (19,455,857)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 14,808,277	\$ 13,110,176	\$ 13,729,431	\$ 11,423,311
Sales, local use	7,432,314	7,394,170	9,248,795	6,792,806
Utility	1,730,990	1,621,854	1,588,171	1,219,601
Hotel/motel	35,281	36,686	43,687	35,800
Food and beverage	1,086,568	1,018,775	1,036,661	732,613
Other	298,311	225,065	302,021	422,376
Intergovernmental				
Personal property replacement tax	83,412	82,765	94,867	51,945
Income	3,096,265	3,422,147	3,700,323	2,335,241
Investment income	71,672	106,443	153,820	58,063
Miscellaneous	113,146	99,397	113,527	215,566
Transfers	(2,605,806)	315,418	421,795	(1,010,515)
Total governmental activities	26,150,430	27,432,896	30,433,098	22,276,807
Business-type activities				
Investment income	8,996	10,825	8,476	11,102
Miscellaneous	3,477	52,231	10,428	586,052
Transfers	2,605,806	(315,418)	(421,795)	1,010,515
Total business-type activities	2,618,279	(252,362)	(402,891)	1,607,669
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 28,768,709</b>	<b>\$ 27,180,534</b>	<b>\$ 30,030,207</b>	<b>\$ 23,884,476</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ (431,197)	\$ (431,197)	\$ 3,536,879	\$ 2,897,670
Business-type activities	1,682,029	1,682,029	855,842	1,530,949
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 1,250,832</b>	<b>\$ 1,250,832</b>	<b>\$ 4,392,721</b>	<b>\$ 4,428,619</b>

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

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

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

Data Source

Audited Financial Statements

2015**	2016	2017	2018***	2019	2020
\$ (28,618,726)	\$ (31,631,414)	\$ (33,184,188)	\$ (32,770,309)	\$ (29,760,480)	\$ (31,070,899)
(523,080)	(990,341)	(1,674,285)	(1,057,105)	(1,079,056)	(930,927)
\$ (29,141,806)	\$ (32,621,755)	\$ (34,858,473)	\$ (33,827,414)	\$ (30,839,536)	\$ (32,001,826)
\$ 15,426,633	\$ 15,837,755	\$ 15,741,338	\$ 15,673,297	\$ 16,811,936	\$ 16,203,849
10,175,081	10,684,970	11,574,442	12,354,638	13,223,903	16,710,593
1,987,557	1,896,000	1,788,223	1,997,184	1,854,237	1,740,974
45,939	44,881	44,408	44,535	46,920	38,360
1,134,073	1,160,415	1,156,763	1,246,156	1,312,311	1,285,026
532,785	905,144	589,256	810,080	819,501	879,718
93,510	87,160	101,644	84,998	101,684	93,807
4,040,449	3,696,445	3,487,788	3,636,525	4,041,810	4,126,485
61,070	89,607	198,840	575,434	763,849	232,320
(1,571,337)	282,508	412,898	301,930	257,683	278,795
4,404,281	76,000	(141,849)	-	-	23,400
36,330,041	34,760,885	34,953,751	36,724,777	39,233,834	41,613,327
(202)	12,081	73,199	180,893	257,078	80,269
1,546,822	1,350,513	1,593,687	1,572,459	1,574,689	1,574,414
(4,404,281)	(76,000)	141,849	-	-	(23,400)
(2,857,661)	1,286,594	1,808,735	1,753,352	1,831,767	1,631,283
\$ 33,472,380	\$ 36,047,479	\$ 36,762,486	\$ 38,478,129	\$ 41,065,601	\$ 43,244,610
\$ 7,711,315	\$ 3,129,471	\$ 1,769,563	\$ 3,954,468	\$ 9,473,354	\$ 10,542,428
(3,380,741)	296,253	134,450	696,247	752,711	700,356
\$ 4,330,574	\$ 3,425,724	\$ 1,904,013	\$ 4,650,715	\$ 10,226,065	\$ 11,242,784

VILLAGE OF HANOVER PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>
<b>GENERAL FUND</b>				
Nonspendable	\$ 2,106,350	\$ 1,561,197	\$ 1,114,638	\$ 556,466
Restricted	136,946	134,910	134,910	-
Unrestricted				
Assigned	674,316	-	-	-
Unassigned	7,099,207	8,473,882	11,611,884	14,180,226
<b>TOTAL GENERAL FUND</b>	<b>\$ 10,016,819</b>	<b>\$ 10,169,989</b>	<b>\$ 12,861,432</b>	<b>\$ 14,736,692</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 332,306	\$ -	\$ -	\$ -
Restricted	4,911,404	4,694,791	5,160,025	4,835,944
Unrestricted				
Assigned	518,719	273,045	124,603	373,202
Unassigned (deficit)	(388,417)	(304,265)	(438,081)	(484,093)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 5,374,012</b>	<b>\$ 4,663,571</b>	<b>\$ 4,846,547</b>	<b>\$ 4,725,053</b>

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

Data Source

Audited Financial Statements

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 294,419	\$ 381,659	\$ 324,481	\$ 293,222	\$ 192,354	\$ 29,449
-	-	-	-	-	-
-	-	-	-	-	-
16,326,081	19,432,402	21,124,648	22,115,466	23,391,983	28,830,428
<u>\$ 16,620,500</u>	<u>\$ 19,814,061</u>	<u>\$ 21,449,129</u>	<u>\$ 22,408,688</u>	<u>\$ 22,408,688</u>	<u>\$ 28,859,877</u>
\$ -	\$ -	\$ 8,099	\$ -	\$ -	\$ -
6,932,172	7,366,374	8,097,770	9,354,849	11,225,970	11,030,353
845,601	925,390	1,465,047	793,723	1,039,084	1,255,720
(461,479)	(363,202)	(234,789)	(156,190)	(88,402)	-
<u>\$ 7,316,294</u>	<u>\$ 7,928,562</u>	<u>\$ 9,336,127</u>	<u>\$ 9,992,382</u>	<u>\$ 9,992,382</u>	<u>\$ 12,286,073</u>

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2012 (1)</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>
<b>REVENUES</b>				
Taxes	\$ 25,475,151	\$ 23,406,726	\$ 25,948,765	\$ 20,626,507
Licenses and permits	911,722	979,424	1,138,365	718,779
Intergovernmental	5,004,050	4,985,926	5,380,058	3,699,934
Charges for services and fees	1,650,614	1,720,380	1,764,636	1,036,818
Fines and forfeits	640,015	660,603	590,966	536,820
Investment income	71,672	106,443	153,820	58,063
Miscellaneous	128,747	180,687	153,209	176,651
<b>Total revenues</b>	<b>33,881,971</b>	<b>32,040,189</b>	<b>35,129,819</b>	<b>26,853,572</b>
<b>EXPENDITURES</b>				
General government	5,280,476	4,923,925	5,247,701	2,483,520
Public works	3,583,057	3,888,126	3,494,643	2,644,628
Public safety	17,232,650	17,388,396	17,837,161	13,027,697
Community development	5,566,340	968,226	660,326	1,879,756
Highways and streets	659,311	752,272	796,373	427,967
Capital outlay	14,402,668	3,188,327	2,745,856	2,982,751
Debt service				
Principal	8,095,000	730,000	810,000	875,000
Interest and fiscal charges	1,257,620	1,073,606	1,085,135	986,620
<b>Total expenditures</b>	<b>56,077,122</b>	<b>32,912,878</b>	<b>32,677,195</b>	<b>25,307,939</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(22,195,151)</b>	<b>(872,689)</b>	<b>2,452,624</b>	<b>1,545,633</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	7,030,000	-	-	-
Premiums (discounts) on bond issuance	102,775	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	5,665,632	1,198,605	1,444,301	1,408,526
Transfers (out)	(5,633,605)	(883,187)	(1,022,506)	(1,283,276)
Sale of property	-	-	-	82,883
<b>Total other financing sources (uses)</b>	<b>7,164,802</b>	<b>315,418</b>	<b>421,795</b>	<b>208,133</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (15,030,349)</b>	<b>\$ (557,271)</b>	<b>\$ 2,874,419</b>	<b>\$ 1,753,766</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>5.93%</b>	<b>25.28%</b>	<b>6.05%</b>	<b>7.51%</b>

\*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

	2015	2016	2017	2018	2019	2020
\$	29,302,067	\$ 30,529,164	\$ 30,894,429	\$ 32,125,890	\$ 34,068,807	\$ 36,858,519
	1,224,977	1,168,407	1,267,962	1,279,465	1,294,601	1,143,061
	5,950,576	5,064,919	5,042,818	5,375,448	5,764,810	7,866,514
	1,451,562	1,719,499	1,603,708	1,880,744	1,986,105	1,698,259
	700,467	766,115	907,692	1,109,612	1,160,816	1,061,886
	61,070	89,607	198,840	575,434	763,849	232,320
	441,974	523,483	730,098	594,105	467,427	389,613
	39,132,693	39,861,194	40,645,547	42,940,698	45,506,415	49,250,172
	3,344,230	3,671,745	3,946,578	4,287,169	4,468,215	5,214,787
	3,962,391	3,874,431	3,981,239	4,237,892	4,296,111	4,018,408
	19,322,453	19,551,407	20,500,538	21,372,010	21,740,295	21,719,698
	4,003,728	3,574,079	3,536,293	4,232,128	3,762,696	5,042,370
	628,804	728,074	885,352	619,997	739,471	910,523
	1,318,476	2,817,230	2,923,902	4,812,292	5,024,317	5,197,456
	945,000	985,000	1,030,000	1,050,000	1,070,000	1,310,000
	957,562	929,399	899,012	863,396	824,691	498,842
	34,482,644	36,131,365	37,702,914	41,474,884	41,925,796	43,912,084
	4,650,049	3,729,829	2,942,633	1,465,814	3,580,619	5,338,088
	-	-	-	-	-	12,980,000
	-	-	-	-	-	1,868,674
	-	-	-	-	-	(14,747,201)
	1,430,802	1,273,396	2,178,155	2,190,805	2,948,642	1,673,775
	(1,605,802)	(1,197,396)	(2,078,155)	(2,190,805)	(3,169,342)	(1,728,375)
	-	-	-	150,000	-	-
	(175,000)	76,000	100,000	150,000	(220,700)	46,873
\$	4,475,049	\$ 3,805,829	\$ 3,042,633	\$ 1,615,814	\$ 3,359,919	\$ 5,384,961
	5.82%	5.99%	5.36%	5.04%	4.97%	4.40%

**VILLAGE OF HANOVER PARK, ILLINOIS**

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE  
COOK COUNTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total</b>	<b>Railroad</b>	<b>Equalized Assessed Value</b>	<b>Total Direct Tax Rate</b>
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
2019	243,467,047	2,948	60,280,496	-	303,750,491	-	303,750,491	2.146

\*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

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<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total</b>	<b>Railroad</b>	<b>Equalized Assessed Value</b>	<b>Total Direct Tax Rate</b>
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
2019	314,404,213	78,374	20,242,910	74,462,770	409,188,267	39,166	409,227,433	1.9419

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

Data Source

Office of the County Clerk and Treasurer

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	1.3050	1.3850	1.6860	2.3090	2.3570	2.4750	1.5041	1.4128	1.4115	1.1272
Police Pension	-	-	-	-	-	-	0.4212	0.4525	0.4973	0.4624
Fire Pension	-	-	-	-	-	-	0.2531	0.2794	0.3023	0.2776
Debt service rate	0.2440	0.2050	0.2530	0.3280	0.3300	0.3880	0.3345	0.3268	0.3334	0.2787
Total direct rate	1.5490	1.5900	1.9390	2.6370	2.6870	2.8630	2.5130	2.4720	2.5445	2.1459
<b>OVERLAPPING RATES</b>										
School District #46	5.0260	5.5070	6.5400	7.5800	7.6680	7.9470	6.8370	6.9320	7.1200	6.4390
School District #509	0.4340	0.4750	0.5460	0.6380	0.6380	0.6540	0.5700	0.5620	0.6120	0.5440
Hanover Park District	0.4290	0.4420	0.5110	0.6290	0.6240	0.6650	0.5970	0.5970	0.6280	0.5420
County including Forest Preserve										
District and TB Sanitarium	0.4740	0.5450	0.5940	0.6290	0.6370	0.6210	0.5960	0.5580	0.5490	0.5130
Hanover Township	0.2480	0.2870	0.3240	0.3910	0.2980	0.3180	0.2750	0.2810	0.3840	0.3410
Metropolitan Water Reclamation District	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.3960	0.3890
Northwest Mosquito Abatement District	0.0090	0.0100	0.0110	0.0130	0.0130	0.0110	0.0100	0.0100	0.0110	0.0100
Poplar Creek Library	0.3940	0.4490	0.5150	0.6310	0.6320	0.6630	0.5800	0.5900	0.6210	0.5460
Community Mental Health	0.0380	0.0440	0.0500	0.0610	0.0610	0.0580	0.0570	0.0590	0.0630	0.0570
Consolidated Elections	-	-	-	0.0310	-	0.0340	-	0.0310	-	0.0300
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>8.8750</b>	<b>9.6690</b>	<b>11.4000</b>	<b>13.6570</b>	<b>13.6880</b>	<b>14.2600</b>	<b>12.4410</b>	<b>12.4940</b>	<b>12.9285</b>	<b>11.5569</b>

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

Data Source

Cook County Clerk's Office

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>VILLAGE DIRECT RATES</b>										
General corporate rate	0.6262	0.7209	0.9039	0.9991	0.9836	0.9664	0.5699	0.4692	0.3819	0.2735
Fire protection	0.7477	0.8068	0.9790	1.1292	1.3204	1.4449	0.9381	0.8951	0.8694	0.7910
Police Pension	-	-	-	-	-	-	0.3676	0.3790	0.3802	0.3771
Fire Pension	-	-	-	-	-	-	0.2791	0.2933	0.2882	0.2774
Debt service rate	0.2091	0.1989	0.2498	0.2658	0.2816	0.3233	0.2863	0.2685	0.2505	0.2229
Total direct rate	1.5830	1.7266	2.1327	2.3941	2.5856	2.7346	2.4410	2.3051	2.1702	1.9419
<b>OVERLAPPING RATES</b>										
School District #93	3.9130	4.1112	4.6112	5.0165	5.1272	5.0951	4.8165	4.6931	4.5643	4.5364
School District #87	1.8378	2.0199	2.2868	2.4877	2.5824	2.5173	2.4030	2.3402	2.2834	2.2296
Community College #502	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	0.2112
Hanover Park District	0.4250	0.4554	0.5614	0.5673	0.5834	0.6099	0.5606	0.5415	0.5194	0.4796
County including Forest Preserve										
District and Airport	0.3138	0.3356	0.3639	0.3875	0.3944	0.3781	0.3538	0.3221	0.3097	0.3038
Wayne Township	0.1378	0.1479	0.1626	0.1796	0.1880	0.1847	0.1759	0.1724	0.1704	0.0911
Poplar Creek Library	0.4158	0.4553	0.5977	0.6249	0.6272	0.6601	0.5893	0.5725	0.5552	0.5023
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>8.8611</b>	<b>9.5014</b>	<b>10.9844</b>	<b>11.9532</b>	<b>12.3857</b>	<b>12.4584</b>	<b>11.6027</b>	<b>11.1900</b>	<b>10.8043</b>	<b>10.2959</b>

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

Data Source

DuPage County Clerk's Office

**VILLAGE OF HANOVER PARK, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2020			2011		
	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.	14,035,190	1	1.97%	\$ 14,440,370	1	2.08%
Cabot Properties				6,955,720	2	1.00%
Menards	3,723,274	5	0.52%	2,949,740	8	0.42%
Fisher Scientific Company	4,666,670	3	0.65%	4,763,130	3	0.68%
Reality Associates Fund IX				3,359,050	5	0.48%
Greenbook Shopping Center				2,540,320	10	0.37%
Buckhead Industrial Properties				2,953,170	7	0.42%
GPT Hunter Road Owner LLC	2,974,730	6	0.42%			
Cardinal Capital Partners - GE Trans	3,797,910	4	0.53%	3,166,670	6	0.46%
Harvest A Fuji LLC	5,340,500	2	0.75%			
MS Claremont LP - Symphony	2,233,360	9	0.31%			
WestView LLC	2,964,257	7	0.42%	4,272,648	4	
National Shopping Plaza	1,117,269	10	0.16%			
Iron Mountain Info Mgmt	2,644,910	8	0.37%	2,586,670	9	0.37%
<b>TOTAL</b>	<u>\$ 43,498,070</u>		<u>6.10%</u>	<u>\$ 47,987,488</u>		<u>6.28%</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
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%	90,187	13,565,854	101.34%
2017	December 31, 2018	13,386,715	13,322,460	99.52%	101,691	13,424,151	100.28%
2018	December 31, 2019	13,386,715	13,403,723	100.13%	34,917	13,438,640	100.39%
2019	December 31, 2020	13,383,696	13,365,395	99.86%	-	13,365,395	99.86%

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

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

Data Source

Village records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**TAXABLE SALES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General merchandise	\$ -	\$ -	\$ -	\$ 12,127	\$ -	\$ -	\$ 14,364	\$ (18,810)	\$ 9,760	\$ -
Food	597,879	472,391	503,151	561,648	574,319	576,736	583,480	582,809	606,709	690,629
Drinking and eating places	264,442	278,890	284,229	273,975	303,626	305,715	277,375	308,618	326,183	290,686
Apparel	-	-	-	522	-	-	4,142	9,826	227	-
Furniture, HH and radio	24,163	27,875	27,853	25,639	28,226	20,856	16,786	18,161	20,353	20,699
Lumber, building and hardware	459,688	517,245	525,261	533,309	604,029	615,656	628,656	642,765	638,648	713,681
Automobile and filling stations	370,963	303,586	294,965	316,758	282,731	292,880	288,816	177,235	229,666	239,934
Drugs and miscellaneous retail	503,913	571,334	598,156	571,484	512,741	519,202	524,001	618,984	584,634	559,661
Agriculture and all others	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	6,436,460
Manufacturers	29,619	29,239	69,661	77,973	138,599	72,118	71,165	75,243	46,459	24,229
<b>TOTAL</b>	<b>\$ 4,864,852</b>	<b>\$ 4,743,081</b>	<b>\$ 5,134,978</b>	<b>\$ 5,301,280</b>	<b>\$ 5,615,570</b>	<b>\$ 5,889,462</b>	<b>\$ 6,364,863</b>	<b>\$ 6,756,722</b>	<b>\$ 7,188,482</b>	<b>\$ 8,975,979</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	<b>1.00%</b>									

Data Source

Illinois Department of Revenues

**VILLAGE OF HANOVER PARK, ILLINOIS**  
**HOME RULE TAXABLE SALES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General merchandise	\$ -	\$ -	\$ -	\$ 7,561	\$ -	\$ -	\$ 9,282	\$ (12,331)	\$ 6,080	\$ -
Food	71,383	56,370	65,115	81,138	107,834	116,472	123,923	127,167	125,720	130,777
Drinking and eating places	123,355	133,067	168,674	195,334	215,732	217,608	198,415	222,819	237,864	217,062
Apparel	-	-	-	-	-	-	3,093	7,367	170	-
Furniture, HH and radio	12,082	13,938	17,842	19,228	21,163	15,643	12,583	13,615	15,265	15,516
Lumber, building and hardware	226,021	254,137	321,137	392,241	444,486	453,347	463,134	473,570	469,685	524,697
Automobile and filling stations	177,242	139,940	175,553	218,435	195,829	198,978	197,843	117,780	152,325	155,483
Drugs and miscellaneous retail	133,369	167,456	230,393	249,511	190,616	186,821	178,906	253,395	228,438	206,367
Agriculture and all others	1,304,854	1,269,342	1,775,671	2,190,176	2,378,404	2,592,831	2,958,260	3,251,305	3,535,375	4,822,572
Manufacturers	14,353	14,061	43,212	57,674	91,765	53,339	52,671	55,703	33,968	892,623
<b>TOTAL</b>	<b>\$ 2,062,659</b>	<b>\$ 2,048,311</b>	<b>\$ 2,797,597</b>	<b>\$ 3,411,298</b>	<b>\$ 3,645,829</b>	<b>\$ 3,835,039</b>	<b>\$ 4,198,110</b>	<b>\$ 4,510,390</b>	<b>\$ 4,804,890</b>	<b>\$ 6,965,097</b>
<b>VILLAGE HOME RULE SALES TAX RATE</b>	<b>0.75%</b>									

Data Source

Illinois Department of Revenues

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Regional Transportation Authority	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	1.25%	1.00%	0.75%	0.75%	0.75%	1.75%	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%
<b>TOTAL</b>	<b>9.25%</b>	<b>9.00%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>9.75%</b>	<b>9.75%</b>	<b>9.75%</b>	<b>9.75%</b>	<b>9.75%</b>

Data Source

Illinois Department of Revenues

**VILLAGE OF HANOVER PARK, ILLINOIS**

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

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	0.50%	0.75%	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%
<b>TOTAL</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	<b>7.75%</b>						

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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						
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
2020	13,368,795	-	-	-	13,368,795	712,977,924	1.88%	1.55%	352.06

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

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

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

Data Source

Village records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Gross General Obligation Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Equalized Assessed Value (1)</b>	<b>Per Capita (2)</b>
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
2020	13,368,795	485,633	12,883,162	2.06%	339.27

\*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, 2020

<b>Governmental Unit</b>	<b>Outstanding GO Bonded Debt</b>		<b>Percentage to Debt Applicable to Village</b>	<b>Village's Share of Debt</b>
Village of Hanover Park	\$ 13,368,795		100.00%	\$ 13,368,795
School District #20	13,474,538		24.76%	3,336,513
School District #93	8,120,000 (4)		9.98%	810,063
High School District #87	55,530,000 (3)(4)		2.07%	1,151,545
High School District #108	20,899,252 (3)		6.38%	1,334,296
High School District #211	-		0.00%	-
Community School District #46	218,313,638 (2)		5.05%	11,021,697
Community College District #502	150,463,604 (3)		0.69%	1,035,377
Community College District #509	162,125,146 (2)		1.89%	3,069,595
Community College District #512	118,626,697		1.08%	1,275,652
Total school districts	<u>747,552,875</u>			<u>23,034,738</u>
Cook County	2,803,851,750		0.15%	4,332,527
DuPage County	27,410,000 (3)(4)		4.88%	1,337,017
Cook County Forest Preserve District	140,990,000 (3)		0.15%	209,069
DuPage County Forest Preserve District	93,615,000 (2)(3)		1.01%	948,513
Metropolitan Water Reclamation District	2,274,859,669 (1)		0.15%	3,510,522
Bartlett Park District	20,260,000 (3)		3.61%	730,827
Hanover Park Park District	1,684,630 (3)		108.09%	1,820,863
Schaumburg Park District	18,213,305 (3)		0.24%	43,663
Bloomington Fire Protection District	2,065,000		6.56%	135,548
Total other	<u>5,382,949,354</u>			<u>13,068,549</u>
Total overlapping debt	<u>6,130,502,229</u>			<u>36,103,287</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 6,143,871,024</u></u>			<u><u>\$ 49,472,082</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, 2020

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The Village is a home rule municipality.

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

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

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

**VILLAGE OF HANOVER PARK, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate (1)</b>
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	5.70%
2020	37,973	859,822,639	22,643	31.5	7,799	8.20%

\*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

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Employment</b>
Maines Paper & Food Service	-		0.00%	400	1	8.00%
Thermo Fischer Scientific	275	1	16.33%	300	2	6.00%
Insight Enterprises, Inc.	254	2	15.08%	250	3	5.00%
Camcraft, Inc.	225	3	13.36%	225	4	4.50%
Fuji Film	140	6	8.31%	150	7	3.00%
Pentair/Everpure, LLC	160	5	9.50%	200	5	4.00%
Village of Hanover Park			0.00%	193	6	3.86%
Menards	120	7	7.13%			
JFC International	90	10	5.34%			
Wilson Pet Supply	-		0.00%	120	8	2.40%
Jabil Packaging Solutions	210	4	12.47%	108	9	2.16%
Round Ground Metals Inc	100	9	5.94%	95	10	1.90%
CMA/Flodyne/Hyradine Inc.	110	8	6.53%			
	<u>1,684</u>		<u>99.99%</u>	<u>2,041</u>		<u>40.82%</u>

Data Source

2020 Illinois Manufacturers Directory and 2020 Illinois Services Directory

**VILLAGE OF HANOVER PARK, ILLINOIS**

**FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>GENERAL GOVERNMENT</b>										
Village Clerk	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	3	3	3	3	3
Legal	-	-	-	-	-	-	-	-	-	-
Human Resources	3	3	3	4	3	3	3	3	3	3
Information Technology	3	3	3	3	3	3	3	3	3	3
Finance	10	9	9	10	11	11	11	11	11	11
<b>PUBLIC WORKS</b>	38	38	36	36	36	38	34	34	32	33
<b>POLICE</b>	80	80	80	85	85	85	84	81	85	85
<b>FIRE</b>	40	41	41	41	41	41	41	41	41	41
<b>COMMUNITY DEVELOPMENT</b>	2	2	2	3	3	3	3	3	3	4
<b>WATER AND SEWER</b>	12	12	10	10	10	9	12	15	15	15
<b>TOTAL</b>	192	192	188	196	196	198	196	196	198	200

\*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	2012	2013	2014	2014*	2015	2016	2017	2018	2019	2020
<b>PUBLIC WORKS</b>										
Forestry										
Number of parkway trees planted	-	-	140	-	159	630	521	548	587	-
Number of parkway trees trimmed	2,311	2,123	1,870	1,550	1,467	1,570	959	1,435	1,516	-
Brush pickup program (cubic yards collected)	1,465	1,640	1,400	965	1,090	1,095	905	705	835	685
Fleet services										
Number of vehicles maintained	152	154	154	154	156	156	161	160	160	155
Preventative maintenance services	436	418	422	420	435	408	477	442	456	471
<b>PUBLIC SAFETY</b>										
Fire										
Number of fire calls	938	970	1,120	653	1,089	1,101	1,265	1,360	1,011	981
Number of EMS calls	2,347	2,356	2,458	1,845	2,434	2,455	2,293	2,197	2,478	2,412
Number of training hours	14,879	13,626	14,563	9,982	15,954	14,120	13,595	14,389	13,435	8,508
ISO rating	4	4	4	4	2	2	2	2	2	2
Police										
Part I crime	503	481	379	290	305	295	279	250	288	297
Part II crime	5,019	5,611	5,600	2,626	3583	3,998	3,637	3,797	3,089	2,111
Calls for service	44,675	47,775	45,244	28,375	43255	49,150	48,763	47,656	43,406	39,056
State tickets issued	7,039	9,135	7,793	4,617	6807	7,116	7,319	6,577	6,929	5,111
Compliance tickets issued	15	16	5	-	-	1,463	-	1,497	2,662	793
Parking tickets issued	11,918	13,786	11,609	7,709	9270	10,223	9,058	9,481	9,206	4,423
<b>COMMUNITY DEVELOPMENT</b>										
Number of building permits issued	1,405	1,502	987	684	1,654	1,896	1,971	2,020	1,952	1,499
Number of building inspections	2,585	2,791	2,965	1,829	5,896	6,076	5,773	6,033	3,460	3,638
Number of food service inspections	484	493	496	295	422	401	386	313	396	430
<b>HIGHWAYS AND STREETS</b>										
Sidewalk replaced (square feet)	26,361	30,159	23,600	23,690	28,159	20,661	25,260	27,929	32,360	33,542
Annual resurfacing program (\$)	550,713	917,493	799,039	900,000	-	1,082,954	842,910	908,441	2,554,715	1,428,568
Crack sealing (pounds installed)	22,700	21,777	22,680	15,600	16,080	16,666	18,000	19,050	15,900	-

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>WATER AND SEWER</b>										
Water main breaks	55	75	43	43	41	55	63	81	56	53
Hydrants flushed	1,475	1,475	1,475	1,599	1,475	1,482	1,546	1,488	1,428	1,484
Water meters read	69,019	67,618	40,462	40,462	41,239	107,171	118,874	157,217	143,121	161,561
Water meter service requests	6,080	6,357	3,765	3,765	4,477	3,393	3,097	5,053	318	3,843
Water meters replaced	22	32	25	25	102	100	136	247	149	61
Total distribution pumpage (1,000 gallons)	938,977	929,490	889,160	873,958	886,487	806,682	815,048	870,441	849,511	854,638
Average daily pumpage (1,000 gallons)	2,566	2,547	2,436	2,394	2,429	2,204	2,233	2,385	2,327	2,335
Sanitary sewer televising (feet)	65,210	17,615	2,801	600	20,831	54,051	27,692	21,579	2,585	14,631
Sanitary sewer repairs	2	1	1	1	2	5	2	8	1	2

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

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

Data Source

Village records

**VILLAGE OF HANOVER PARK, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
<b>PUBLIC WORKS</b>										
Streets (miles)	80.13	99.36	99.36	80.13	80.13	80.13	80.13	85.22	85.22	85.22
Sidewalks (miles)	155.15	155.15	155.15	155.25	155.25	155.30	155.37	155.37	155.38	155.38
Streetlights	1,138	1,141	1,141	1,088	1,088	1,088	1,121	1,154	1,160	1,185
<b>WATER AND SEWER</b>										
Water mains (miles)	112.35	112.35	112.35	112.35	112.35	112.35	112.35	125.58	125.58	125.58
Fire hydrants	1,475	1,475	1,477	1,475	1,482	1,483	1,482	1,485	1,482	1,482
Sanitary sewers (miles)	93.80	93.80	93.80	93.80	94.03	94.03	94.03	93.10	93.10	93.10
Manholes	2,346	2,346	2,348	2,348	2,353	2,353	2,353	2,383	2,353	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, 2020 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, 2020 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 30, 2021