

VILLAGE OF HANOVER PARK,
ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Hanover Park^{USA}

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

VILLAGE OF HANOVER PARK, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

**Prepared by:
Finance Department**

**Remy Navarrete
Director of Finance**

VILLAGE OF HANOVER PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials	1
Table of Organization	2
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	12

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	15
-------------------------------------	--------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	19
---	--------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	38
Statement of Activities	40
Fund Financial Statements	
Balance Sheet - Governmental Funds	42
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	44
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	46
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities	48
Statement of Net Position - Proprietary Funds	50
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	52
Statement of Cash Flows - Proprietary Funds	53
Statement of Fiduciary Net Position - Pension Trust Funds	54
Statement of Changes in Fiduciary Net Position - Pension Trust Funds	55
Notes to Financial Statements	56

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund - Regular Plan	110
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)	111
Police Pension Fund	112
Firefighters' Pension Fund	113

VILLAGE OF HANOVER PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION - Continued

Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund - Regular Plan	115
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)	117
Police Pension Fund	119
Firefighters' Pension Fund	121
Schedule of Investment Returns	
Police Pension Fund	123
Firefighters' Pension Fund	124
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	125
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	126
Motor Fuel Tax - Special Revenue Fund	127
Tax Increment Financing #3 - Special Revenue Fund	128

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues - Budget and Actual - General Fund	134
Schedule of Expenditures - Budget and Actual - General Fund	137
Combining Balance Sheet - Nonmajor Governmental Funds	145
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	146
Combining Balance Sheet - Nonmajor Governmental - Special Revenue Funds	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue Funds	149
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Road and Bridge - Special Revenue Fund	151
MWRD Fields - Special Revenue Fund	152
State Restricted - Special Revenue Fund	153
Federal Restricted - Special Revenue Fund	154
Foreign Fire Insurance Tax - Special Revenue Fund	155
Tax Increment Financing #4 - Special Revenue Fund	156
Tax Increment Financing #5 - Special Revenue Fund	157
Special Service Area #3 - Special Revenue Fund	158
Special Service Area #4 - Special Revenue Fund	159
Special Service Area #5 - Special Revenue Fund	160
General Obligation Refunding Bond Series of 2020 - Debt Service Fund	161

VILLAGE OF HANOVER PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION - Continued

Combining Balance Sheet - Nonmajor Governmental - Capital Projects Funds	162
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects Funds	163
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Projects Fund	164
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Waterworks and Sewerage - Enterprise Fund	165
Schedule of Expenses - Waterworks and Sewerage - Enterprise Fund	166
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Municipal Commuter Parking Lot - Enterprise Fund	168
Combining Statement of Net Position - Internal Service Funds	169
Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds	170
Combining Statement of Cash Flows - Internal Service Funds	171
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Central Equipment - Internal Service Fund	172
IT Equipment Replacement - Internal Service Fund	173
Combining Statement of Fiduciary Net Position - Pension Trust Funds	174
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	175
Schedule of Changes in the Fiduciary Net Position - Budget and Actual Police Pension - Pension Trust Fund	176
Firefighters' Pension - Pension Trust Fund	177
Consolidated Year-End Financial Report	178
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS ACCORDANCE WITH <i>GOVERNMENTAL AUDITING STANDARDS</i>	179

SUPPLEMENTAL SCHEDULE

Long-Term Debt Requirements General Obligation Refunding Bonds of 2020	182
---	---------------------

VILLAGE OF HANOVER PARK, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years	185
Changes in Net Position - Last Ten Fiscal Years	187
Fund Balances of Governmental Funds - Last Ten Fiscal Years	189
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	191
Assessed Value and Actual Value of Taxable Property - Cook County - Last Ten Levy Years	193
Assessed Value and Actual Value of Taxable Property - DuPage County - Last Ten Levy Years	195
Direct and Overlapping Property Tax Rates - Cook County - Last Ten Levy Years	197
Direct and Overlapping Property Tax Rates - DuPage County - Last Ten Levy Years	199
Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago	201
Property Tax Levies and Collections - Last Ten Fiscal Years	202
Sales Tax Collected by Category - Last Ten Calendar Years	203
Home Rule Taxable Sales by Category - Last Ten Calendar Years	205
Direct and Overlapping Sales Tax Rates Cook County - Last Ten Calendar Years	207
Direct and Overlapping Sales Tax Rates DuPage County - Last Ten Calendar Years	208
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	209
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	210
Schedule of Direct and Overlapping Governmental Activities Debt	211
Legal Debt Margin	212
Demographic and Economic Statistics - Last Ten Fiscal Years	213
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	214
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	215
Operating Indicators by Function/Program - Last Ten Fiscal Years	217
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	219

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village including:

- List of Principal Officials
- Table of Organizationt
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF HANOVER PARK, ILLINOIS

**List of Principal Officials
December 31, 2021**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig, President

Bob Prigge

Lisa Guterrez

James Kemper

Syed Hussaini

Herb Porter

Yasmeen Bankole

Kristy Merrill, Clerk

ADMINISTRATIVE

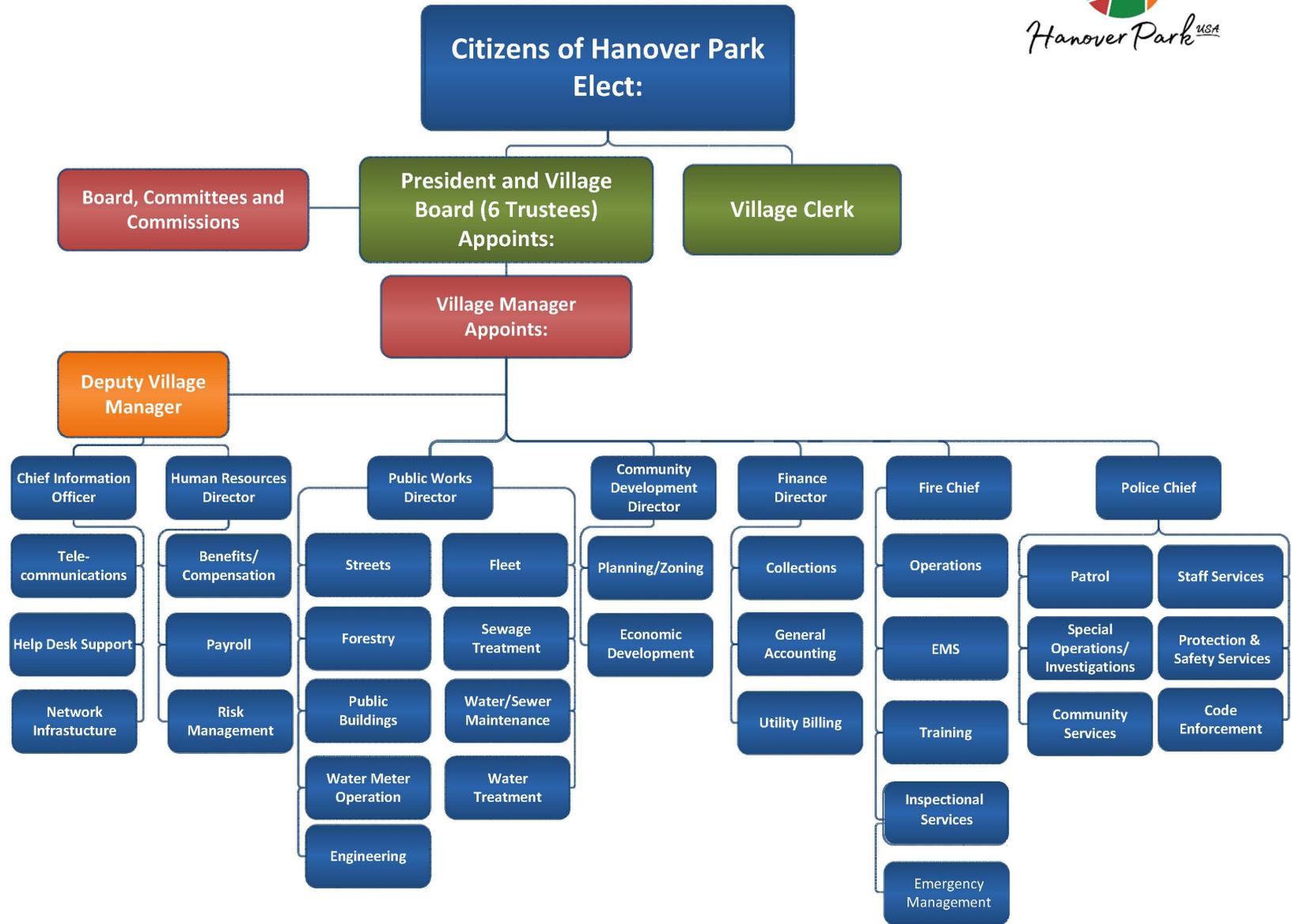
Juliana Maller, Manager

David Webb, Deputy Manager

FINANCE DEPARTMENT

Remy Navarrete, Finance Director

Village of Hanover Park – Table of Organization





Village of Hanover Park Administration

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

hpil.org

Village President
Rodney S. Craig

Village Clerk
Kristy Merrill

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

Village Manager
Juliana A. Maller

June 23, 2022

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 Annual Comprehensive Financial Report (ACFR) of the Village of Hanover Park for the fiscal year ending December 31, 2021, 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, 2021.

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 Lauterbach & Amen 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, 2021. 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 2020 census, is 37,470.

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 discrete 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 2022 or spring of 2023.

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

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

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

There were 199 full-time positions and 44 part-time positions, excluding seasonal workers, in the Fiscal Year 2021 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters (part-time), and Public Works employees.

Local Economy

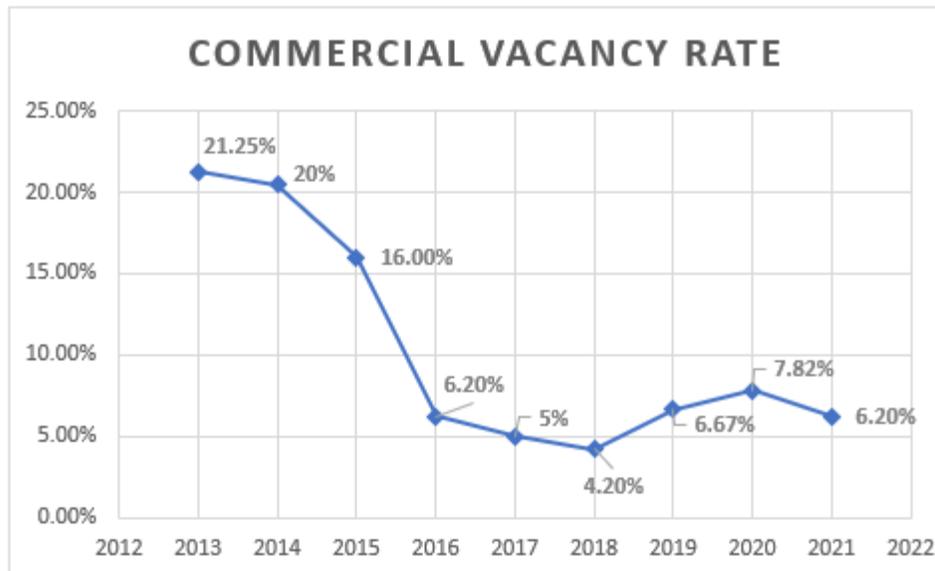
The Village of Hanover Park is home to almost 450 licensed businesses, ranging from large international businesses to ‘mom-and-pop’ shops. There are more than 5,000,000 sq. ft. of Class A industrial development located in three Business Parks within the Village and 23 shopping centers ranging in size 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 with our tagline of “America’s Global Village”. Six (6) new restaurants joined the Village in 2021.

2021 was an active development year for the Village with the construction initiated for two new three-lot commercial subdivisions approved at NWC of Lake & Gary and at the NEC of Lake & Bartels. Construction also began for a 20-unit townhome development at Wise and Farmstead which was approved as a PUD. The Village welcomed 31 new businesses in 2021, including dd’s Discounts, a reopened Taphouse Grill, Brow Art’s corporate headquarters, and Nirav Express, filling the space formerly occupied by Patel Brothers.

In 2021 the Village saw just over \$6.8M worth of private investment made in the business community, based on permit activity. Several of our industrial businesses undertook renovations, including EFC International, Fujifilm, Nefab Packaging, and RIM Logistics. Additionally, we had five restaurant renovations, two retail renovations, and renovations to the LA Fitness building, now rebranded to Esporta Fitness.

About \$83 million of Real Estate transfers of non-residential property took place in Hanover Park in 2021. In addition to the major ongoing commercial developments at Lake/Bartels and Lake/Gary, several retail buildings, including Olde Salem Plaza, Founders Plaza, and the building with Just Tires, and the Walgreens at the SWC of Stearns and County Farm, were purchased by new owners, demonstrating that Hanover Park is a good place to invest.

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 7.8%, with the impact of the pandemic, but decreased to 6.2% in 2021. Our industrial vacancy rate continues to be low as well at about 7% for 2021, and Office vacancy is around 1%.



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

- **Property Taxes** - the Village has collected \$12,020,586 or 100.62% of the budgeted amount that shows an increase of \$73,690 from budget to actual in FY2021 due to prior year tax levy collected in FY2021.
- **Home Rule Sales Tax** - the Village has collected \$9,443,282 or 149.89% of the budgeted amount that shows an increase of \$3,143,282 from budget to actual in FY2021 due to the increase in Home Rule Tax by 0.25% effective July 1, 2021. 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.
- **Telecommunication Tax** - the Village has collected \$309,300 or 95.17% of the budgeted amount that shows a decrease of \$15,700 from budget to actual in FY2021. The account continues to decrease due to consumers changing to data plans for cell service which are not taxable.
- **Electric Tax** - the Village has collected \$967,357 or 101.83% of the budgeted amount that shows an increase of \$17,357 from budget to actual in FY2021. Taxes are generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Natural Gas Tax** - the Village has collected \$412,239 or 94.77% of the budgeted amount that shows a decrease of \$22,761 from budget to actual in FY2021. 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.
- **Real Estate Transfer Tax** - the Village has collected \$832,453 or 210.75% of the budgeted amount that shows an increase of \$437,453 from budget to actual in FY2021 due to low interest rates. A lot of people purchased houses and took advantage of the lower interest rate. 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.
- **Hotel and Motel Tax** - the Village has collected \$50,797 or 114.15% of the budgeted amount that shows an increase of \$6,297 from budget to actual in FY2021 due to an increase in travel after vaccinations to prevent the COVID-19 virus. 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.
- **Food and Beverage Tax** - the Village has collected \$1,517,207 or 131.93% of the budgeted amount that shows an increase of \$367,207 from budget to actual in FY2021. This is an imposed tax of 3% upon the purchase of alcoholic liquor, food, and beverage at any retail food facility within the Village.
- **Basic Sales Tax** - the Village has collected \$11,395,783 or 138.97% of the budgeted amount that shows an increase of \$3,195,783 from budget to actual in FY2021. This revenue is based on the dollar amount of purchased tangible merchandise within the Village.
- **Use Tax** - the Village has collected \$1,448,845 or 105.37% of the budgeted amount that shows an increase of \$73,845 from budget to actual in FY2021. 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.
- **State Income Tax** - the Village has collected \$5,012,020 or 131.90% of the budgeted amount, an increase of \$1,212,020 from budget to actual in FY2021. This revenue is based on a portion of State Income Tax receipts distributed to the Village on a per-capita basis (population).
- **Personal Property Tax** - the Village has collected \$158,570 or 191.05% of the budgeted amount, an increase of \$75,570 from budget to actual in FY2021. 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.

- **Cannabis Use Tax** - the Village has collected \$55,533 or 277.67% 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.
- **Municipal Automobile Rental Tax** - the Village has collected \$15,409 or 154.09% of the budgeted amount which shows an increase of \$5,409 from budget to actual in FY2021. 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.
- **Other Intergovernmental** - the Village has collected \$284,302 or 422.06% of the budgeted amount that shows an increase of \$216,942 from budget to actual in FY2021. Grant from FEMA for reimbursement for COVID-19 expenses not budgeted, reimbursement from DuPage County mowing charges, State reimbursement program for police training, Sustained Traffic Enforcement Program (STEP) reimbursement and fire recovery charges.
- **Licenses and Permits** - the Village has collected \$1,413,518 or 127.53% of the budgeted amount, an increase of \$305,117 from budget to actual in FY2021. This revenue is based on number of construction and remodeling permits, business licenses and liquor licenses renewals, solid waste, land use development, and cable franchise fees.
- **Charges for Services** - the Village has collected \$2,218,944 or 114.32% of the budgeted amount, an increase of \$277,904 from budget to actual in FY2021. Revenues included in the total are ambulance fees, ground emergency medical transport, vehicle impound fees, plan review fees, registration of defaulted mortgage and vacant property (foreclosure fee), plan reviews, renewable green energy, and rental income.
- **Fines and Forfeits** - the Village has collected \$969,637 or 112.49% of the budgeted amount, an increase of \$107,637 from budget to actual in FY2021. Revenues included in the total are traffic fines, police and fire false alarms, adjudication hearing process for Ordinance violations, kennel fees, and red-light camera fines.
- **Investment Income** - the Village has collected \$13,940 or 4.96% of the budgeted amount, a decrease of \$267,060 from budget to actual in FY2021. The decrease is due to CD's that had rates in the upper 2% range last year compared to .05% this year, and Money Market accounts going from 1.75% to .02% this year.
- **Miscellaneous Revenue** - the Village has collected \$215,304 or 109.85% of the budgeted amount, an increase of \$19,304 from budget to actual in FY2021. Revenues included in the total are bullet proof vest and miscellaneous reimbursement, corporate partnership program, central equipment maintenance funding – water & sewer, and reimbursement checks from the Village's risk management company IRMA.

The Village’s equalized assessed valuation increased by \$13.4 million, or 1.88%, from \$712,9 million in the 2019 levy year to \$726.4 million in the 2020 levy year. This increase is primarily due to property assessments increases and new construction within the Village.

Tax Levy Year	Equalized Assessed Valuation	Increase/ (Decrease) in Equalized Assessed Valuation	Percent Increase/ (Decrease)
2010	\$ 743,653,328	\$ (67,102,947)	(8.3%)
2011	695,936,302	(47,717,026)	(6.4%)
2012	626,685,617	(69,250,685)	(10.0%)
2013	542,401,799	(84,283,818)	(13.4%)
2014	533,303,999	(9,097,800)	(1.7%)
2015	525,854,318	(7,449,681)	(1.4%)
2016	585,885,950	60,031,632	11.4%
2017	610,236,664	24,350,714	4.2%
2018	624,489,299	14,252,635	2.3%
2019	712,977,924	88,488,625	14.2%
2020	726,416,062	13,438,138	1.9%

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 unassigned fund balance has increased by \$8,929,195. The increase was primarily due to revenues coming in at \$9.2 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.

Fiscal Year	Unrestricted/ Unassigned Fund Balance	Budgeted Expenditures and Other Financing Sources	Percent
4/30/2011	\$ 7,831,351	\$ 25,498,295	30.7%
4/30/2012	7,773,523	27,776,277	28.0%
4/30/2013	8,473,882	29,754,222	28.5%
4/30/2014	11,611,884	29,754,222	39.0% *
12/31/2014	14,180,226	31,687,433	44.8%
12/31/2015	16,326,081	32,199,242	50.7%
12/31/2016	19,432,402	32,836,381	59.2%
12/31/2017	21,124,648	34,630,888	61.0%
12/31/2018	22,115,466	36,761,294	60.2%
12/31/2019	23,391,983	37,194,003	62.9%
12/31/2020	28,830,428	40,166,737	71.8%
12/31/2021	37,759,623	49,774,338	** 75.9%

*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 \$49,774,338 is the adopted budget of General Fund for FY2022.

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.

Major Initiatives

The Village of Hanover Park continued to manage its fiscal operations well and operate cost effectively in Fiscal Year 2021. 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 2018 Strategic Plan during the fiscal year reflects the Village’s continued commitment to its citizens that the Village is a desirable place to live, work, and transact business and includes:

- 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 but decreased to 6.2% in 2021. Industrial vacancy rate was about 7.2% and our Office vacancy was barely 1% in 2021.
- As part of our marketing efforts, the Village placed a full page add in the Northern Illinois Real Estate Magazine. Additionally, staff created an updated ‘Promotional Card’ that contains salient information that typically businesses and residents look for, while making location decisions. The Promo Card can be used to promote the Village to interested parties in lieu of a business card.
- The Village celebrated the opening of Ontarioville Plaza in the Village Center. This TIF-funded project has created a central gathering space and will catalyze growth in the Village Center. The Village has already hosted several events there, including Business After Hours, Corks and Crafts, and the Village’s Tree Lighting event. Business After Hours, a networking event hosted by the Economic Development Committee, was very well received by area businesses. Seven Hanover Park restaurants provided food, representing the various cuisines present in our Global Village.
- The Village’s long-term vision for the area around the Metra station has been to develop a downtown “Village Center”. To implement this vision, the Village is creating new zoning districts to enable well-designed development using transit-oriented development principles. Staff began the formal process of developing the Village Center zoning by hiring a consultant (funded by the RTA, and at no cost to the Village) to propose the new zoning districts for our downtown area, consistent with the Village’s long-term vision. The formal Text Amendment process is expected to be completed in 2022.
- Community and Economic Development has created a new Facebook page and a new website to better communicate with our residents and businesses. Staff regularly posts events, business information, and promotes local businesses on the Facebook page. Additionally, a business news section was added to the Village’s website’s home page, providing timely information to residents and businesses.
- All three TIF districts now have a positive fund balance.
- A new 216,000 sq. ft. industrial building was completed at the vacant 23-acres at the NW corner of Lake Street and Gary Ave. A new fuel station/convenience store and a multi-tenant retail building will be built in the next phase.

- Construction began on the three-parcel subdivision at the northeast corner of Lake and Bartels, including a building for a gun range and a Starbucks. All three buildings are expected to receive occupancy in 2022.
- Construction began on a 20-unit townhome development at 1 Wise Rd.
- The Village received several development applications in 2021, including the redevelopment of the Chase Bank on Irving Park Rd and the TrueNorth Shell gas station on Lake St. Additionally, H2O Auto Spa was approved for an amended Special Use to expand their use on the vacant restaurant site next door. Staff additionally received an application for a residential Variance and began preliminary consultations for a townhome development at the SW corner of Stearns and Redford.
- The Village signed an agreement for the development of a vacant parcel at 1311 Irving Park Rd. for an Arby's restaurant. This section of Irving Park Rd. had a vacant lot, a vacant restaurant, and a vacant retail building, formerly occupied by a title loan company. By the end of 2022, all of these sites are expected to be reoccupied and enhanced.
- A real estate broker was hired to market the Village-owned Hanover Square Shopping Center for sale, following an RFP process. A potential buyer has been identified and they are in their due diligence period. The Village acquired Hanover Square in December 2011 to gain control of this property that has a blighted 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 tenants. The Village also works with a professional property manager to address ongoing property maintenance issues. This has helped reduce vacancy from 40% to about 20%. New tenants continue to be recruited.
- Several townhomes were sold, and families moved into the new Verandah senior housing development, on Irving Park Road. 29 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.
- Construction continues for Habitat for Humanity townhomes, off Greenbrook Blvd.
- Digital Evidence Storage System: The Police Department currently stores digital evidence from at least three different sources: in-car video, interview room, and various submittals of evidence such as photography and cell phone records. Each of these systems use different storage methods. The Police Department will consolidate these systems, allowing for evidence to be more easily kept and categorized in the same place. Currently, this evidence must be converted to compact disks to be used in court, but the new system will allow prosecutors to access the evidence with a digital link, reducing manpower, physical storage, and material costs. In addition, this system will also allow for the department to expand into new evidence-gathering systems such as police officer body-worn cameras.
- Fire Station No 2 (Station 16) Design: The existing Fire Station No. 2 (Station 16) does not meet the continuing needs of the department. It is undersized in both apparatus floor and living facilities for on-duty personnel. A long-term strategic plan goal has been to replace and relocate this facility. Under this program a new fire station will be designed. A design/build team has been established to complete the design and prepare for construction in 2023.
- Infrastructure: In 2021, the Village invest \$2,334,000 into the resurfacing of Village streets. \$480,000 as the Village's Share has been budgeted for the long-awaited replacement of the Arlington Drive Bridge.

- Water Meter Replacement Project – a project to change all Village water meters to a Fixed Meter Reading system that reads meter via radio antennas placed on the Village water towers. The project will be completed in FY2022. The funding for this project was the American Rescue Plan Act (ARPA) provides resources to meet pandemic response needs and rebuild a stronger, and more equitable economy as the county recovers. The Village will receive \$5,087,847.99. The first payment of \$2,543,923.99 was received on August 17, 2021, and the second payment will be received in August 2022 (12 months after the receipt of the first payment).

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2020. This was the 31st 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 2021 budget document. This was the 29th consecutive year the Village received this award. To qualify for the Distinguished Budget Presentation Award, the Village's document was judged to be proficient in several categories, including a policy document, a financial plan, an operational guide, and a communication tool.

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

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

Respectfully submitted,



Juliana Maller
Village Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Hanover Park
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

June 23, 2022

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Hanover Square as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hanover Square, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hanover Park, Illinois' basic financial statements. The other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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, other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

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 \$117,296,968 (net position) as of December 31, 2021. The unrestricted net position has a positive balance of \$14,239,805 and may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$15,290,318 to \$117,296,968 as of December 31, 2021.
- During the year, government-wide revenues before transfers for the governmental and business-type activities totaled \$70,838,257 while expenses totaled \$55,547,939 resulting in the increase of net position in the amount of \$15,290,318.
- The Village's combined governmental funds ending fund balance increased by \$12,253,502 to \$53,399,452 as of December 31, 2021.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$37,759,623 or 75.86% of General Fund Fiscal Year 2022. The annualized budgeted expenditures and other financing uses totaled \$49,774,338.
- The Village's total long-term debt including pension obligation (GASB 68 and GASB 75) and compensated absences liability decreased by \$12,226,885 to \$61,489,241 compared to FY2020 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

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 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Governmental Funds - Continued

The Village maintains 16 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.

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 Municipal Railroad 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 Municipal Railroad Parking Lot Fund is the Village's non-major enterprise fund. The Internal Service Fund is shown as a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the Municipal Railroad Parking Lot and the Internal Service Fund is presented elsewhere in the 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.

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.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

- *Net Results of Activities* - which will impact (increase/decrease) current assets and unrestricted net position.
- *Borrowing for Capital* - which will increase current assets and long-term debt outstanding.
- *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.
- *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.
- *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.
- *Reduction of Capital Assets through Depreciation* - which will reduce capital assets and reduce investment in capital assets, net of related debt.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

The following table shows the statement of net position of the Village of Hanover Park as of December 31, 2021, compared to December 31, 2020:

	Statement of Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 88,817,996	73,281,892	14,398,045	13,496,128	103,216,041	86,778,020
Capital Assets	77,223,583	77,411,720	23,512,012	24,261,288	100,735,595	101,673,008
Total Assets	166,041,579	150,693,612	37,910,057	37,757,416	203,951,636	188,451,028
Deferred Outflows of Resources	9,443,600	10,364,761	1,252,799	1,538,678	10,696,399	11,903,439
Total Assets and Deferred Outflows of Resources	175,485,179	161,058,373	39,162,856	39,296,094	214,648,035	200,354,467
Long-Term Liabilities	59,337,420	70,387,627	2,151,821	3,328,499	61,489,241	73,716,126
Other Liabilities	9,568,482	6,472,081	1,516,375	984,889	11,084,857	7,456,970
Total Liabilities	68,905,902	76,859,708	3,668,196	4,313,388	72,574,098	81,173,096
Deferred Inflows of Resources	23,169,194	16,313,973	1,607,775	860,748	24,776,969	17,174,721
Total Liabilities and Deferred Inflows of Resources	92,075,096	93,173,681	5,275,971	5,174,136	97,351,067	98,347,817
Net Position						
Net Investment in Capital Assets	65,186,567	64,256,664	23,512,012	24,261,288	88,698,579	88,517,952
Restricted	14,358,584	11,030,353	—	—	14,358,584	11,030,353
Unrestricted (Deficit)	3,864,932	(7,402,325)	10,374,873	9,860,670	14,239,805	2,458,345
Total Net Position	83,410,083	67,884,692	33,886,885	34,121,958	117,296,968	102,006,650

As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets exceeded its liabilities by \$117,296,968 as of December 31, 2021. The largest portion of the Village's net position reflects its net investment in capital assets of \$88,698,579 or 75.6%. This includes land, permanent easement, right of way, construction in progress, buildings, machinery, equipment and vehicles, improvements other than buildings, and infrastructure, 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

An additional portion of the Village's net position of \$14,358,584 or 12.2% represents resources that are subject to external restrictions on how they may be used. The positive balance of unrestricted net position, \$14,239,805 or 12.1%, may be used to meet the Village's ongoing obligations to citizens and creditors.

The net position of governmental activities totaled \$83,410,083, an increase of 22.9% from Fiscal Year 2020.

The net position of business-type activities totaled \$33,886,885, a decrease of 0.7% from Fiscal Year 2020. The unrestricted net position of \$10,374,873 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its municipal commuter parking programs.

Changes in Net Position

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

Revenues:

- *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.
- *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.).
- *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.
- *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:

- *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.
- *Change in Authorized Personnel* - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Personnel costs (salary and related benefits).
- *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.
- *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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Changes in Net Position - Continued

Following is a table that summarizes the changes in net position of the Village of Hanover Park as of December 31, 2021, compared to December 31, 2020:

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 4,689,097	3,903,206	10,243,568	10,501,963	14,932,665	14,405,169
Operating Grants and Contrib.	2,824,321	3,701,999	2,546,552	37,500	5,370,873	3,739,499
General Revenues						
Property Taxes	16,506,192	16,203,849	—	—	16,506,192	16,203,849
Home Rule Sales Taxes	9,443,282	6,038,100	—	—	9,443,282	6,038,100
Utility Taxes	1,688,896	1,740,974	—	—	1,688,896	1,740,974
Other Taxes	2,802,177	2,165,523	—	—	2,802,177	2,165,523
Intergovernmental	18,092,506	14,930,366	—	—	18,092,506	14,930,366
Investment Income	79,484	285,835	7,387	80,269	86,871	366,104
Miscellaneous	340,534	398,213	1,574,261	1,574,414	1,914,795	1,972,627
Total Revenues	56,466,489	49,368,065	14,371,768	12,194,146	70,838,257	61,562,211
Expenses						
General Government	3,094,879	5,796,773	—	—	3,094,879	5,796,773
Public Works	4,299,445	4,396,004	—	—	4,299,445	4,396,004
Public Safety	22,264,675	22,301,152	—	—	22,264,675	22,301,152
Community Development	7,122,168	5,149,348	—	—	7,122,168	5,149,348
Highways and Streets	3,845,558	881,961	—	—	3,845,558	881,961
Interest on Long-Term Debt	314,373	323,799	—	—	314,373	323,799
Waterworks and Sewerage	—	—	14,267,474	11,129,895	14,267,474	11,129,895
Municipal Commuter Parking Lot	—	—	339,367	340,495	339,367	340,495
Total Expenses	40,941,098	38,849,037	14,606,841	11,470,390	55,547,939	50,319,427
Change in Net Position						
Before Transfers	15,525,391	10,519,028	(235,073)	723,756	15,290,318	11,242,784
Transfers	—	23,400	—	(23,400)	—	—
Change in Net Position	15,525,391	10,542,428	(235,073)	700,356	15,290,318	11,242,784
Net Position - Beginning	67,884,692	57,342,264	34,121,958	33,421,602	102,006,650	90,763,866
Net Position - Ending	83,410,083	67,884,692	33,886,885	34,121,958	117,296,968	102,006,650

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

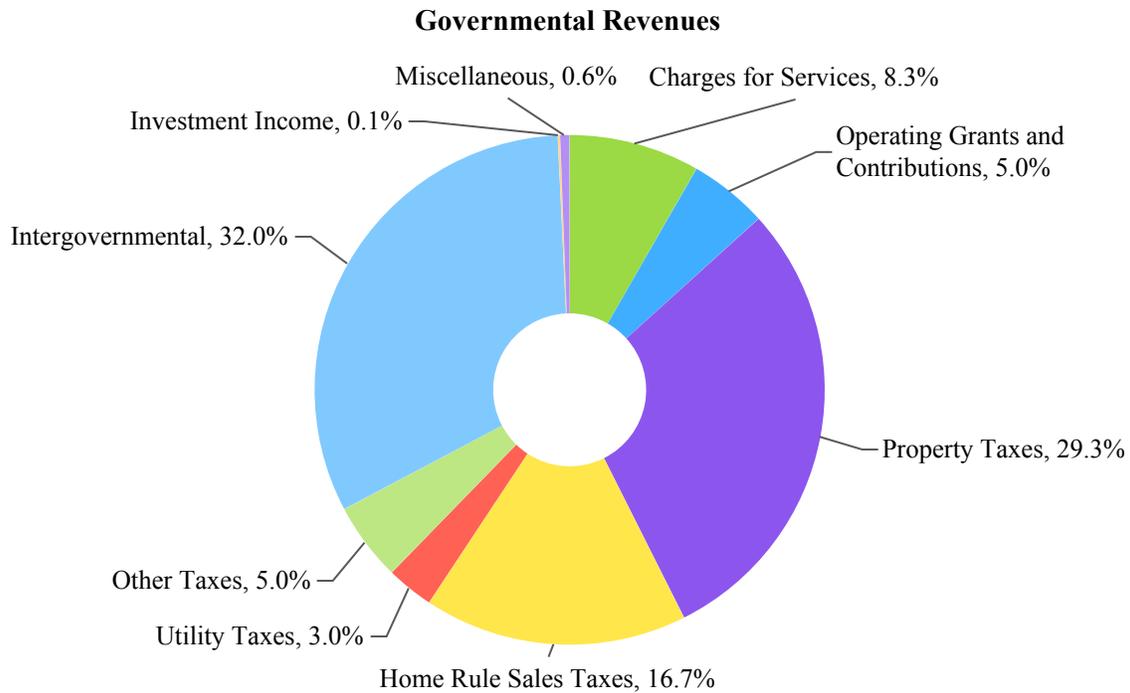
Changes in Net Position - Continued

Net position of the Village’s governmental activities increased by 22.9% or \$15,525,391 (\$83,410,083 in 2021 compared to \$67,884,692 in 2020). Net position of business-type activities decreased by 0.7% or \$235,073 (\$33,886,885 in 2021 compared to \$34,121,958 in 2020 restated). Key elements contributing to this net change are as follows:

Governmental Activities

Revenues

Revenues for governmental activities totaled \$56,466,489 and \$49,368,065 for December 31, 2021 and December 31, 2020 respectively. This is an increase of \$7,098,424.



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

- Charges for services revenues increased by \$785,891 compared to prior year due to steady stream of permits, vehicle impounds, ground emergency medical transportation (new revenue source), and implementation of GASB 90 to record the Equity Interest in Hanover Square LLC.
- Operating grants and contributions revenues decreased by \$877,678 compared to prior year due to FEMA COVID-19 expense reimbursement, hawk hollow and bike path reimbursement, and MFT allotment increase compared to prior year decrease due to COVID-19.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Revenues - Continued

- Property taxes revenues increased by \$302,343 compared to prior year due to an increase on Tax Increment Financial (TIF) increment, and the yearly levy of Special Service Area to fund the trash, maintenance, and snow removal expenses.
- Home rule sales taxes increased by \$3,405,182 compared to prior year due to increasing the Home Rule Municipal Retailer's Occupation Tax and Home Rule municipal Service Occupation Tax by 0.25% to the rate of 1.00% effective July 1, 2021.
- Utility Taxes decreased by \$52,078 compared to prior year telecommunication tax continuing to decline due to customers changing to data plans for cell service, which are not taxable. Natural and Electric taxes are based on actual usage and largely dependent on fluctuations in temperature.
- Other Taxes increased by \$636,654 compared to prior year food & beverage tax, real estate transfer tax, gasoline tax, and video gaming taxes.
- Intergovernmental revenues increased by \$3,162,140 compared to prior year due to general increase in retail sales and sales generated by new retailers located in the Village and the steady stream of the state income tax.
- Investment income decreased by \$206,351 o CD's that had rates in the upper 2% range last year compared to 0.05% this year.
- Miscellaneous revenues decreased by \$57,679 compared to prior year due to low corporate partnership sponsors, and decrease in maintenance of water and sewer equipments funding which was offset by the reimbursement of Sycamore resurfacing project.

	Changes in Governmental Activities Revenues			
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Charges for Services	\$ 4,689,097	3,903,206	785,891	20.1%
Operating Grants and Contrib.	2,824,321	3,701,999	(877,678)	(23.7%)
Property Taxes	16,506,192	16,203,849	302,343	1.9%
Home Rule Sales Taxes	9,443,282	6,038,100	3,405,182	56.4%
Utility Taxes	1,688,896	1,740,974	(52,078)	(3.0%)
Other Taxes	2,802,177	2,165,523	636,654	29.4%
Intergovernmental	18,092,506	14,930,366	3,162,140	21.2%
Investment Income	79,484	285,835	(206,351)	(72.2%)
Miscellaneous	340,534	398,213	(57,679)	(14.5%)
	<u>56,466,489</u>	<u>49,368,065</u>	<u>7,098,424</u>	<u>14.4%</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

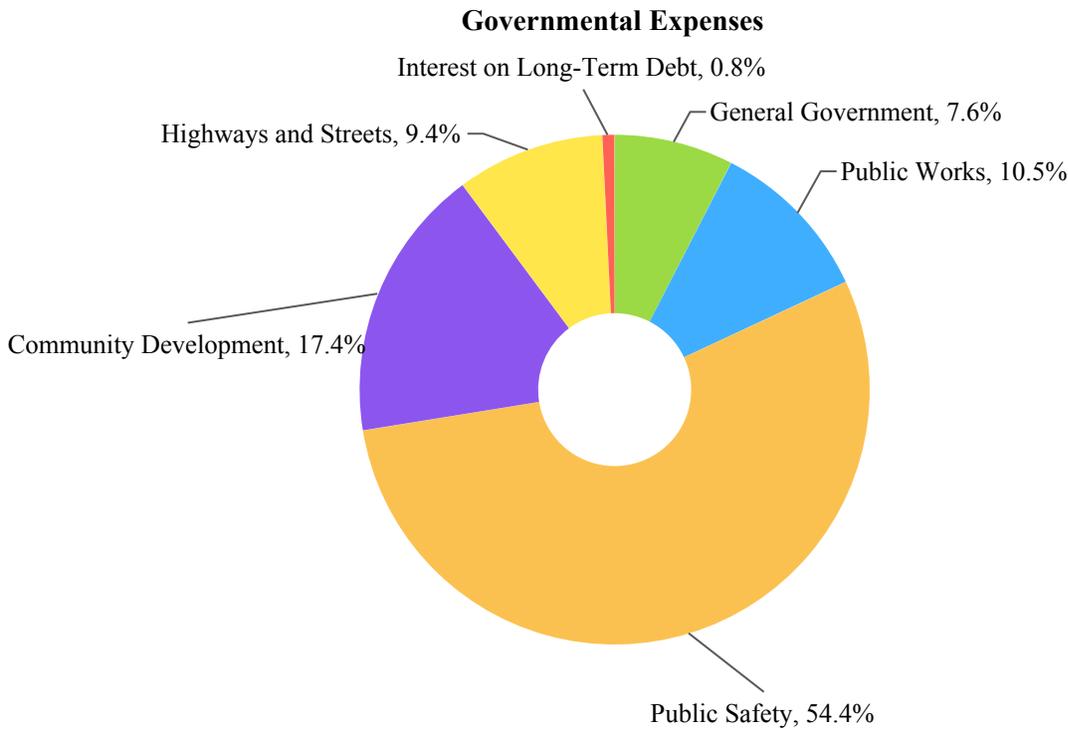
December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Expenses

For the year ending December 31, 2021, governmental expenses totaled \$40,941,098. There is an increase of \$2,092,061 or 5.39% from the December 31, 2020 expenses of \$38,849,037. Due to an increase in street program resurfacing and reconstruction and the scheduled purchase of equipment. Village management closely monitored expenditures to make sure we were within budget.



Changes in Governmental Activities Expenses

	2021	2020	Increase (Decrease)	% Increase (Decrease)
General Government	\$ 3,094,879	5,796,773	(2,701,894)	(46.6%)
Public Works	4,299,445	4,396,004	(96,559)	(2.2%)
Public Safety	22,264,675	22,301,152	(36,477)	(0.2%)
Community Development	7,122,168	5,149,348	1,972,820	38.3%
Highways and Streets	3,845,558	881,961	2,963,597	336.0%
Interest on Long-Term Debt	314,373	323,799	(9,426)	(2.9%)
	<u>40,941,098</u>	<u>38,849,037</u>	<u>2,092,061</u>	<u>5.4%</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-type activities posted total revenues of \$14,371,768 while the cost of all business-type activities totaled \$14,606,841. There is a deficit of \$235,073. In 2020, revenues of \$12,194,146 and expenses of \$11,470,390 showed a surplus of \$723,756 before transfers out of \$23,400.

Revenues

Proprietary Fund, for the fiscal year ending December 31, 2021, revenues for the business-type activities totaled \$14,371,768, showing an increase of \$2,177,622, or 17.9% from FY2020. This is due to increase in water consumption, most workers are working from home and a mild summer weather, which offset the Municipal Commuter Lot Fund, a decrease in users of parking spaces attributed to the COVID-19 pandemic.

Waterworks and Sewerage increased by \$2,306,879 or 19.2% compared to prior year due to increase in water consumption and largely dependent on fluctuations in temperature.

Municipal Railroad Parking Lot decreased by \$129,257 or 69.6% compared to prior year due to decrease in commuter riders in FY2021 due to COVID-19 pandemic. (The rates are as follows: \$1.75 daily parking fee; \$35.00 monthly parking fee).

	Changes in Business-Type Activities Revenues			
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Waterworks and Sewerage	\$ 14,315,294	12,008,415	2,306,879	19.2%
Municipal Railroad Parking Lot	56,474	185,731	(129,257)	(69.6%)
	<u>14,371,768</u>	<u>12,194,146</u>	<u>2,177,622</u>	<u>17.9%</u>

Expenses

Expenses for the year ending December 31, 2021, totaled \$14,606,841. It shows an increase of \$3,136,451 or 27.3% over the FY2020 expenses of \$11,470,390. The increase is due to increase in water cost, and the water change-out project which will be completed in FY2022.

	Changes in Business-Type Activities Expenses			
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Waterworks and Sewerage	\$ 14,267,474	11,129,895	3,137,579	28.2%
Municipal Railroad Parking Lot	339,367	340,495	(1,128)	(0.3%)
	<u>14,606,841</u>	<u>11,470,390</u>	<u>3,136,451</u>	<u>27.3%</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2021

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 \$53,399,452 which is \$12,253,502 or 29.8%, higher than last year’s total of \$41,145,950. Of the \$53,399,452 total, \$37,759,623 or approximately 70.7% 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 \$8,932,977 to \$37,792,854 of which \$37,759,623 is the unrestricted amount. The increase is due primarily to higher-than-expected sales-related taxes, increasing the Home Rule Municipal Retailer's Occupation Tax and Home Rule municipal Service Occupation Tax by 0.25% to the rate of 1.00% effective July 1, 2021, 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. 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. \$6M plus of the unassigned fund balance will be use for the design and construction of the Fire Station #16. The Village will also use the unassigned fund balance to start the infrastructure program that will be funded by reimbursable grants.

	Comparison of the Results of Operations and the Unassigned Fund Balance (Last Four Fiscal Years)			
	2018	2019	2020	2021
Revenues and Transfers	\$ 36,512,715	38,131,184	41,943,735	48,785,026
Expenditures and Transfers	35,553,156	36,955,535	36,668,195	39,852,049
Results of Operations	959,559	1,175,649	5,275,540	8,932,977
Fund Balance - Beginning	21,449,129	22,408,688	23,584,337	28,859,877
Fund Balance - Ending	22,408,688	23,584,337	28,859,877	37,792,854
Reserved/Nonspendable and Restricted	293,222	192,354	29,449	33,231
Unassigned	22,115,466	23,391,983	28,830,428	37,759,623
Total Fund Balance	22,408,688	23,584,337	28,859,877	37,792,854
Unassigned Fund Balance as a Percentage of Budgeted Expenditures	61.0%	62.9%	71.8%	93.8%

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2021

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS - Continued

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 \$257,475. Due to increase in MFT allotment compared to last year COVID-19 pandemic, and the reimbursement income for sycamore resurfacing project.

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, 2021, the Tax Increment Financing # 3 an increase of \$1,146,244 due to the Village Center Streetscape program completed in July 2021.

Proprietary Funds

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

The Village reports the Water and Sewer as a major proprietary fund. The Village reports one non-major proprietary fund. The Waterworks and Sewerage 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. Sewer rate is \$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 Waterworks and Sewerage Fund actual revenues exceeded actual expenses in Fiscal Year 2021. Total operating revenues were \$11,768,742 versus \$14,267,474 in operating expenditures. As of December 31, 2021, the overall net position in this fund increased by \$47,820.

Waterworks and Sewerage Fund Revenues				
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Water Sales	\$ 6,848,785	7,032,220	(183,435)	(2.6%)
Sewer Sales	2,696,763	2,764,977	(68,214)	(2.5%)
Leachate Treatment	183,879	277,283	(93,404)	(33.7%)
Interest	7,387	77,679	(70,292)	(90.5%)
Other Revenues	2,031,928	1,856,256	175,672	9.5%
	<u>11,768,742</u>	<u>12,008,415</u>	<u>(239,673)</u>	<u>(2.0%)</u>

The Municipal Railroad Parking Lot Fund actual revenues fell short of actual expenses in Fiscal Year 2021. Total operating expenditures were \$339,367 versus \$56,474 in operating revenues. The overall net position in this fund as of December 31, 2021, decreased by \$282,893. The decrease is due to the COVID-19 pandemic, customers (employees) continued to work remotely from home.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2021, the Village Board approved a budget amendment to increase the budget by \$300,000 an advance to Municipal Railroad Parking Lot Fund, to pay for their operating expenses. Once the Municipal Railroad Parking Lot fund recovers and has a positive fund balance it will then pay back the General Fund the advance. Another budget amendment to increase the budget by \$2,204,844 due to redevelopment agreement payment exceeding the budgeted amount not accurately budgeted in FY2021.

General Fund actual revenues (including other financing sources) for the year totaled \$48,785,026 compared to budgeted revenues of \$39,520,196. It shows a difference of \$9,264,830. This is due to property taxes, general sales and use taxes, real estate transfer stamps, cannabis, prepared food and beverage tax, state income tax, licenses, permits, fines and forfeits, and grants (FEMA COVID-19 reimbursement expenses), Investment income, that was under budget by \$267,065 due to low interest rate. As mentioned before, the Village is very fortunate that at the end of the year, total revenues exceeded the budgeted amount, while we are still in the midst of COVID-19 pandemic.

The General Fund actual expenditures (including other financing uses) for the year totaled \$39,852,049. This is \$2,819,532 or 6.6% lower than final budgeted expenditures of \$42,671,581. The community development department exceeded their budgeted amount due to a tax incentive payment. 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.

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
Revenues	\$ 39,490,196	39,490,196	48,755,026	41,943,735
Expenditures	38,058,355	40,263,199	37,743,667	35,419,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,431,841	(773,003)	11,011,359	6,524,684
Other Financing Sources	30,000	30,000	30,000	—
Other Financing (Uses)	(2,108,382)	(2,408,382)	(2,108,382)	(1,249,144)
Net Change in Fund Balance	(646,541)	(3,151,385)	8,932,977	5,275,540

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

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, 2021, was \$100,735,595 (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.

	Capital Assets (Net of Depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,534,078	4,534,078	2,254,634	2,254,634	6,788,712	6,788,712
Permanent Easements	33,873	33,873	—	—	33,873	33,873
Right of Way	25,058,691	25,058,691	—	—	25,058,691	25,058,691
Construction in Progress	835,466	5,078,492	143,252	114,697	978,718	5,193,189
Buildings	20,866,215	21,569,325	5,371,879	5,619,978	26,238,094	27,189,303
Machinery, Equipment, and Vehicles	7,556,648	8,318,587	670,248	773,621	8,226,896	9,092,208
Improvements Other Than Buildings	7,540,456	1,442,412	4,030,201	4,367,868	11,570,657	5,810,280
Infrastructure	10,798,156	11,376,262	—	—	10,798,156	11,376,262
Underground Systems	—	—	11,041,798	11,130,490	11,041,798	11,130,490
	<u>77,223,583</u>	<u>77,411,720</u>	<u>23,512,012</u>	<u>24,261,288</u>	<u>100,735,595</u>	<u>101,673,008</u>

This year's major additions included:

Construction in Progress	\$ 823,745
Machinery, Equipment, and Vehicles	574,535
Improvements Other Than Buildings	1,202,881
Underground Systems	<u>278,270</u>
	<u><u>2,879,431</u></u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Long-Term Debt

The Village's total outstanding debt excluding the net pension liability, IMRF, OPEB, and compensated absences decreased by \$970,000 or 8.31% compared to the prior fiscal year. Key factor in this decrease was due to the scheduled principal payments. No additional debt was incurred during Fiscal Year 2021.

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 recently updated during the refinancing of the General Obligation Refunding Bonds Series 2020.

	Long-Term Debt	
	Governmental	
	Activities	
	2021	2020
General Obligation Bonds	\$ 10,700,000	11,670,000

Additional information on the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND FUTURE PROSPECTS

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2022 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 FY2022 with zero percent (0.00%) 2021 tax levy increase (6th year in a row). There is also no water and sewer rate increase (7th 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.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

ECONOMIC FACTORS AND FUTURE PROSPECTS - Continued

It has been two years since the Novel Coronavirus known as COVID-19 was declared a global pandemic and continues to spread with new variants. 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 the bottom line for cities and villages 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 FY2021 budget. When the staff reviewed the FY2021 budget, it was determined that at least \$1.7M of capital project expenditures won't be expensed in FY2021 due to global chip shortage, shipping delays, and supply chain issues.

On February 28, 2022 the State of Illinois lifted the indoor mask mandates. Masks will still be required in hospitals, public transit, prisons, jails, and in Chicago Public Schools. Private and charter schools are also choosing to keep mask mandatory. (abc7chicago.com/illinois-mask-mandate)

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.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Position

December 31, 2021

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Position
December 31, 2021

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Hanover Square
ASSETS				
Current Assets				
Cash and Investments	\$ 58,533,610	11,799,107	70,332,717	1,306,242
Receivables - Net of Allowances	23,974,891	1,571,981	25,546,872	283,983
Due from Other Governments	1,512,135	1,231,616	2,743,751	—
Internal Balances	300,000	(300,000)	—	—
Prepays	10,886	9,926	20,812	—
Inventories	25,014	—	25,014	—
Total Current Assets	84,356,536	14,312,630	98,669,166	1,590,225
Noncurrent Assets				
Capital Assets				
Nondepreciable	30,462,108	2,397,886	32,859,994	1,017,088
Depreciable	98,191,807	46,094,273	144,286,080	6,947,543
Accumulated Depreciation	(51,430,332)	(24,980,147)	(76,410,479)	(1,143,486)
	77,223,583	23,512,012	100,735,595	6,821,145
Other Assets				
Equity Interest	3,913,552	—	3,913,552	—
Net Pension Asset - IMRF	185,624	85,415	271,039	—
Net Pension Asset - SLEP	362,284	—	362,284	—
Total Other Assets	4,461,460	85,415	4,546,875	—
Total Noncurrent Assets	81,685,043	23,597,427	105,282,470	6,821,145
Total Assets	166,041,579	37,910,057	203,951,636	8,411,370
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	1,108,990	510,300	1,619,290	—
Deferred Items - Police Pension	3,715,834	—	3,715,834	—
Deferred Items - Firefighters' Pension	2,342,997	—	2,342,997	—
Deferred Items - RBP	2,083,879	414,262	2,498,141	—
Deferred Items - ARO	—	328,237	328,237	—
Unamortized Loss on Refunding	191,900	—	191,900	—
Total Deferred Outflows of Resources	9,443,600	1,252,799	10,696,399	—
Total Assets and Deferred Outflows of Resources	175,485,179	39,162,856	214,648,035	8,411,370

The notes to the financial statements are an integral part of this statement.

	Primary Government			Component
	Governmental	Business-Type	Totals	Unit
	Activities	Activities		Hanover Square
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,583,201	1,349,716	2,932,917	429,775
Accrued Payroll	1,196,064	121,091	1,317,155	—
Unearned Revenues	47,151	—	47,151	108,803
Other Payable	5,654,476	37,980	5,692,456	—
Accrued Interest Payable	35,667	—	35,667	—
Current Portion of Long-Term Debt	1,051,923	7,588	1,059,511	166,562
Total Current Liabilities	9,568,482	1,516,375	11,084,857	705,140
Noncurrent Liabilities				
Compensated Absences Payable	796,532	144,168	940,700	—
Net Pension Liability - Police Pension	25,410,687	—	25,410,687	—
Net Pension Liability - Firefighters' Pension	13,572,742	—	13,572,742	—
Total OPEB Liability - RBP	8,338,543	1,657,653	9,996,196	—
General Obligation Bonds Payable - Net	11,218,916	—	11,218,916	—
Notes Payable	—	—	—	3,792,678
Asset Retirement Obligation	—	350,000	350,000	—
Total Noncurrent Liabilities	59,337,420	2,151,821	61,489,241	3,792,678
Total Liabilities	68,905,902	3,668,196	72,574,098	4,497,818
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	13,694,192	—	13,694,192	—
Deferred Items - IMRF	3,223,969	1,483,505	4,707,474	—
Deferred Items - SLEP	96,045	—	96,045	—
Deferred Items - Police Pension	3,797,259	—	3,797,259	—
Deferred Items - Firefighters' Pension	1,732,612	—	1,732,612	—
Deferred Items - RBP	625,117	124,270	749,387	—
Total Deferred Inflows of Resources	23,169,194	1,607,775	24,776,969	—
Total Liabilities and Deferred Inflows of Resources	92,075,096	5,275,971	97,351,067	4,497,818
NET POSITION				
Net Investment in Capital Assets	65,186,567	23,512,012	88,698,579	—
Restricted				
Public Safety	427,723	—	427,723	—
Highways and Streets	3,835,182	—	3,835,182	—
Community Development	9,195,413	—	9,195,413	—
Debt Service	460,464	—	460,464	—
Special Service Areas	439,802	—	439,802	—
Unrestricted	3,864,932	10,374,873	14,239,805	3,913,552
Total Net Position	83,410,083	33,886,885	117,296,968	3,913,552

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,094,879	1,327,770	202,770	—
Public Works	4,299,445	548,628	—	—
Public Safety	22,264,675	2,602,346	81,532	—
Community Development	7,122,168	153,353	—	—
Highways and Streets	3,845,558	57,000	2,540,019	—
Interest on Long-Term Debt	314,373	—	—	—
Total Governmental Activities	40,941,098	4,689,097	2,824,321	—
Business-Type Activities				
Waterworks and Sewerage	14,267,474	10,187,094	2,546,552	—
Municipal Commuter Parking Lot	339,367	56,474	—	—
Total Business-Type Activities	14,606,841	10,243,568	2,546,552	—
Total Primary Government	55,547,939	14,932,665	5,370,873	—
Discreetly Presented Component Unit				
Hanover Square	1,105,910	1,117,777	—	—

General Revenues

Taxes

Property Taxes

Home Rule Sales Taxes

Utility Taxes

Other Taxes

Intergovernmental - Unrestricted

Sales Taxes

Use Taxes

State Income Taxes

Other Intergovernmental

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Primary Government			Component Unit Hanover Square
Net (Expenses)/Revenues			
Governmental Activities	Business-Type Activities	Totals	
(1,564,339)	—	(1,564,339)	—
(3,750,817)	—	(3,750,817)	—
(19,580,797)	—	(19,580,797)	—
(6,968,815)	—	(6,968,815)	—
(1,248,539)	—	(1,248,539)	—
(314,373)	—	(314,373)	—
(33,427,680)	—	(33,427,680)	—
—	(1,533,828)	(1,533,828)	—
—	(282,893)	(282,893)	—
—	(1,816,721)	(1,816,721)	—
(33,427,680)	(1,816,721)	(35,244,401)	—
—	—	—	11,867
16,506,192	—	16,506,192	—
9,443,282	—	9,443,282	—
1,688,896	—	1,688,896	—
2,802,177	—	2,802,177	—
11,395,783	—	11,395,783	—
1,448,845	—	1,448,845	—
5,012,020	—	5,012,020	—
235,858	—	235,858	—
79,484	7,387	86,871	—
340,534	1,574,261	1,914,795	—
48,953,071	1,581,648	50,534,719	—
15,525,391	(235,073)	15,290,318	11,867
67,884,692	34,121,958	102,006,650	3,901,685
83,410,083	33,886,885	117,296,968	3,913,552

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2021

	<u>General</u>
ASSETS	
Cash and Investments	\$ 34,459,233
Receivables - Net of Allowances	
Taxes	19,179,820
Accounts	514,403
Accrued Interest	2,392,820
Due from Other Governments	1,370,926
Advances to Other Funds	300,000
Prepays	8,217
Inventories	<u>25,014</u>
 Total Assets	 <u><u>58,250,433</u></u>
LIABILITIES	
Accounts Payable	499,476
Accrued Payroll	1,196,064
Unearned Revenues	47,151
Other Payable	<u>6,769,192</u>
Total Liabilities	8,511,883
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>11,945,696</u>
Total Liabilities and Deferred Inflows of Resources	 <u><u>20,457,579</u></u>
FUND BALANCES	
Nonspendable	33,231
Restricted	—
Assigned	—
Unassigned	<u>37,759,623</u>
Total Fund Balances	<u><u>37,792,854</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>58,250,433</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			
Motor Fuel Tax	Tax Increment Financing #3	Nonmajor	Totals
1,937,791	8,084,082	6,397,437	50,878,543
—	—	1,783,176	20,962,996
—	—	104,357	618,760
—	315	—	2,393,135
141,209	—	—	1,512,135
—	—	—	300,000
—	—	—	8,217
—	—	—	25,014
<u>2,079,000</u>	<u>8,084,397</u>	<u>8,284,970</u>	<u>76,698,800</u>
441,648	31,288	438,656	1,411,068
—	—	—	1,196,064
—	—	—	47,151
—	74,433	107,248	6,950,873
<u>441,648</u>	<u>105,721</u>	<u>545,904</u>	<u>9,605,156</u>
—	—	1,748,496	13,694,192
<u>441,648</u>	<u>105,721</u>	<u>2,294,400</u>	<u>23,299,348</u>
—	—	—	33,231
1,637,352	7,978,676	4,778,223	14,394,251
—	—	1,212,347	1,212,347
—	—	—	37,759,623
<u>1,637,352</u>	<u>7,978,676</u>	<u>5,990,570</u>	<u>53,399,452</u>
<u>2,079,000</u>	<u>8,084,397</u>	<u>8,284,970</u>	<u>76,698,800</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2021

Total Governmental Fund Balances	\$ 53,399,452
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 funds.	77,223,583
Less: Internal Service Capital Assets	(5,824,213)
Internal service funds are used by the City to charge the costs of insurance and motor pool to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	13,309,816
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	1,296,397
The equity interest in Hanover Square in included in the governmental activities in the Statement of Net Position	3,913,552
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	185,624
Net Pension Asset - SLEP	362,284
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(2,114,979)
Deferred Items - SLEP	(96,045)
Deferred Items - Police Pension	(81,425)
Deferred Items - Firefighters' Pension	610,385
Deferred Items - RBP	1,458,762
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(838,455)
Net Pension Liability - Police Pension	(25,410,687)
Net Pension Liability - Firefighters' Pension	(13,572,742)
Total OPEB Liability - RBP	(8,338,543)
General Obligation Bonds Payable - Net	(12,228,916)
Unamortized Loss on Refunding	191,900
Accrued Interest Payable	(35,667)
Net Position of Governmental Activities	83,410,083

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021**

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021

	<u>General</u>
Revenues	
Taxes	\$ 25,553,221
Intergovernmental	18,370,462
Licenses and Permits	1,413,518
Charges for Services	2,218,944
Fines and Forfeitures	969,637
Investment Income	13,940
Miscellaneous	215,304
Total Revenues	<u>48,755,026</u>
Expenditures	
Current	
General Government	4,603,707
Public Works	4,299,445
Public Safety	22,708,589
Community Development	6,131,926
Highways and Streets	—
Capital Outlay	—
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>37,743,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,011,359</u>
Other Financing Sources (Uses)	
Transfers In	30,000
Transfers Out	<u>(2,108,382)</u>
	<u>(2,078,382)</u>
Net Change in Fund Balances	8,932,977
Fund Balances - Beginning	<u>28,859,877</u>
Fund Balances - Ending	<u><u>37,792,854</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue				
Motor Fuel Tax	Tax Increment Financing #3	Nonmajor	Totals	
—	1,917,267	2,970,059	30,440,547	
2,322,048	—	224,317	20,916,827	
—	—	57,000	1,470,518	
—	—	—	2,218,944	
—	—	29,998	999,635	
882	4,287	2,195	21,304	
125,000	—	230	340,534	
2,447,930	1,921,554	3,283,799	56,408,309	
—	—	400	4,604,107	
—	—	—	4,299,445	
—	—	6,744	22,715,333	
—	169,608	187,901	6,489,435	
—	—	753,511	753,511	
2,190,455	605,702	1,020,019	3,816,176	
—	—	970,000	970,000	
—	—	466,800	466,800	
2,190,455	775,310	3,405,375	44,114,807	
257,475	1,146,244	(121,576)	12,293,502	
—	—	2,108,382	2,138,382	
—	—	(70,000)	(2,178,382)	
—	—	2,038,382	(40,000)	
257,475	1,146,244	1,916,806	12,253,502	
1,379,877	6,832,432	4,073,764	41,145,950	
1,637,352	7,978,676	5,990,570	53,399,452	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 12,253,502
---	----------------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	2,545,606
Depreciation Expense	(2,728,975)
Disposals - Cost	(100,849)
Disposals - Accumulated Depreciation	96,081
Less: Internal Service Funds	(190,639)

Internal service funds are used by the City to charge the costs of insurance and motor pool to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

	765,300
--	---------

Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year.

	272,613
--	---------

The change in equity interest in Hanover Square is reported only in the Statement of Activities

	11,867
--	--------

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(2,061,687)
Change in Deferred Items - SLEP	(46,426)
Change in Deferred Items - Police Pension	(4,020,432)
Change in Deferred Items - Firefighters' Pension	(974,160)
Change in Deferred Items - RBP	(560,803)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	158,252
Change in Net Pension Liability - IMRF	2,843,012
Change in Net Pension Liability - SLEP	97,937
Change in Net Pension Liability - Police Pension	4,747,680
Change in Net Pension Liability - Firefighters' Pension	1,275,677
Change in Total OPEB Liability - RBP	19,408
Retirement of Debt - Net	1,139,879
Amortization of Loss on Refunding	(21,322)

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

	<u>3,870</u>
--	--------------

Changes in Net Position of Governmental Activities	<u>15,525,391</u>
---	--------------------------

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2021

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2021

	Business-Type Activities			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Commuter Parking Lot	Totals	
ASSETS				
Current Assets				
Cash and Investments	\$ 11,556,221	242,886	11,799,107	7,655,067
Receivables - Net of Allowances				
Accounts	1,127,118	—	1,127,118	—
Accrued Interest	419,377	25,486	444,863	—
Due from Other Governments	1,205,431	26,185	1,231,616	—
Prepays	9,926	—	9,926	2,669
Total Current Assets	14,318,073	294,557	14,612,630	7,657,736
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,080,369	1,317,517	2,397,886	728,728
Depreciable	43,614,796	2,479,477	46,094,273	12,209,511
Accumulated Depreciation	(23,621,543)	(1,358,604)	(24,980,147)	(7,114,026)
Total Noncurrent Assets	21,073,622	2,438,390	23,512,012	5,824,213
Other Assets				
Net Pension Asset - IMRF	80,871	4,544	85,415	—
Total Noncurrent Assets	21,154,493	2,442,934	23,597,427	5,824,213
Total Assets	35,472,566	2,737,491	38,210,057	13,481,949
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	483,153	27,147	510,300	—
Deferred Items - RBP	384,750	29,512	414,262	—
Deferred Items - ARO	328,237	—	328,237	—
Total Deferred Outflow of Resources	1,196,140	56,659	1,252,799	—
Total Assets and Deferred Outflow of Resources	36,668,706	2,794,150	39,462,856	13,481,949

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Commuter Parking Lot	Totals	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,323,084	26,632	1,349,716	172,133
Accrued Payroll	115,168	5,923	121,091	—
Other Payables	27,550	10,430	37,980	—
Advances from Other Funds	—	300,000	300,000	—
Compensated Absences Payable	7,588	—	7,588	—
Total Current Liabilities	1,473,390	342,985	1,816,375	172,133
Noncurrent Liabilities				
Compensated Absences Payable	144,168	—	144,168	—
Total OPEB Liability - RBP	1,539,561	118,092	1,657,653	—
Asset Retirement Obligation	350,000	—	350,000	—
Total Noncurrent Liabilities	2,033,729	118,092	2,151,821	—
Total Liabilities	3,507,119	461,077	3,968,196	172,133
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	1,404,585	78,920	1,483,505	—
Deferred Items - RBP	115,417	8,853	124,270	—
Total Deferred Inflows of Resources	1,520,002	87,773	1,607,775	—
Total Liabilities and Deferred Inflows of Resources	5,027,121	548,850	5,575,971	172,133
NET POSITION				
Investment in Capital Assets	21,073,622	2,438,390	23,512,012	5,824,213
Unrestricted (Deficit)	10,567,963	(193,090)	10,374,873	7,485,603
Total Net Position	31,641,585	2,245,300	33,886,885	13,309,816

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
December 31, 2021

	Business-Type Activities		Totals	Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Commuter Parking Lot		
Operating Revenues				
Charges for Services	\$ 10,187,094	56,474	10,243,568	—
Interfund Services	—	—	—	1,834,290
Total Operating Revenues	10,187,094	56,474	10,243,568	1,834,290
Operating Expenses				
Administrative	1,820,448	—	1,820,448	—
Operations	11,435,257	260,781	11,696,038	172,942
Depreciation and Amortization	1,011,769	78,586	1,090,355	994,228
Total Operating Expenses	14,267,474	339,367	14,606,841	1,167,170
Operating Income (Loss)	(4,080,380)	(282,893)	(4,363,273)	667,120
Nonoperating Revenues				
Infrastructure Charge	1,574,261	—	1,574,261	—
Federal Grants	2,546,552	—	2,546,552	—
Investment Income	7,387	—	7,387	58,180
	4,128,200	—	4,128,200	58,180
Income (Loss) Before Transfers	47,820	(282,893)	(235,073)	725,300
Transfers In	—	—	—	40,000
Change in Net Position	47,820	(282,893)	(235,073)	765,300
Net Position - Beginning	31,593,765	2,528,193	34,121,958	12,544,516
Net Position - Ending	31,641,585	2,245,300	33,886,885	13,309,816

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2021**

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Municipal Commuter Parking Lot	Totals	Activities Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 13,671,522	29,047	13,700,569	—
Interfund Services Provided	—	—	—	1,850,308
Payments to Suppliers	(10,946,756)	175,288	(10,771,468)	(176,353)
Payments to Employees	(1,808,772)	(114,338)	(1,923,110)	—
	915,994	89,997	1,005,991	1,673,955
Cash Flows from Noncapital Financing Activities				
Transfers In	—	—	—	40,000
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(333,825)	—	(333,825)	(1,184,867)
Cash Flows from Investing Activities				
Investment Income	7,387	—	7,387	58,180
Net Change in Cash and Cash Equivalents	589,556	89,997	679,553	587,268
Cash and Cash Equivalents - Beginning	10,966,665	152,889	11,119,554	7,067,799
Cash and Cash Equivalents - Ending	11,556,221	242,886	11,799,107	7,655,067
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(4,080,380)	(282,893)	(4,363,273)	667,120
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	1,011,769	78,586	1,090,355	994,228
Other Income (Expenses)	3,901,148	(7,197)	3,893,951	—
(Increase) Decrease in Current Assets	(416,720)	(20,230)	(436,950)	16,018
Increase (Decrease) in Current Liabilities	500,177	321,731	821,908	(3,411)
Net Cash Provided by Operating Activities	915,994	89,997	1,005,991	1,673,955

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2021**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,198,297
Investments	
U.S. Agencies	16,167,890
Corporate Bonds	6,381,757
Mutual Funds	47,289,298
Receivables - Net of Allowance	
Accrued Interest	125,706
Prepays	<u>4,450</u>
Total Assets	<u>73,167,398</u>
LIABILITIES	
Accounts Payable	<u>26,569</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>73,140,829</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2021

	Pension Trust
Additions	
Contributions - Employer	\$ 5,526,625
Contributions - Plan Members	876,747
Other	94,137
Total Contributions	<u>6,497,509</u>
Investment Earnings	
Interest Earned	2,796,712
Net Change in Fair Value	6,404,613
	<u>9,201,325</u>
Less Investment Expenses	(106,485)
Net Investment Income	<u>9,094,840</u>
Total Additions	<u>15,592,349</u>
Deductions	
Administration	5,451,148
Benefits and Refunds	137,456
Total Deductions	<u>5,588,604</u>
Change in Fiduciary Net Position	10,003,745
Net Position Restricted for Pensions	
Beginning	<u>63,137,084</u>
Ending	<u><u>73,140,829</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hanover Park, Illinois (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.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Hanover Park
---------------------	-------------------------

Discretely Presented Component Unit:	Hanover Square
--------------------------------------	----------------

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn 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 Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

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, 2021. 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 #3 Fund.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public works, public safety, community development, and highways and streets services are classified as governmental activities. The Village's waterworks and sewerage and municipal railroad parking lot services are classified as business-type activities.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public works, public safety, community development, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, investment income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains twelve special revenues funds. The Motor Fuel Tax Fund, a major fund, is used to account for revenues restricted for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. The Tax Increment Financing #3 Fund, also a major fund, is used to account for the restricted financing of improvements in the Village Center Tax Increment Financing Redevelopment Project Area. Additionally, the Village maintains ten nonmajor special revenue funds.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one debt service fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Proprietary Funds - Continued

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund and one nonmajor enterprise fund. The Waterworks and Sewerage Fund, a major 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. The Municipal Railroad Parking Lot Fund, a nonmajor 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.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains two internal services funds. The Central Equipment Fund accounts for the purchase of vehicles and equipment for various department throughout the Village. The IT Equipment Replacement Fund accounts for the purchase of computer equipment for departments throughout the Village. The Village's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public works, public safety, community development, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund is used to account for the accumulation of resources to pay retirement and other related benefits for the Village's firefighter employees.

The Village's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues, except for sales taxes and utility taxes which use a 90-day period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, investment income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds and of the Village's internal service funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, and franchise fees. Business-type activities report charges for services as their major receivables.

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Structures	20 - 50 Years
Machinery, Equipment, and Vehicles	3 - 20 Years
Improvements Other Than Buildings	10 - 20 Years
Infrastructure	25 - 75 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

The budget is adopted on the modified accrual basis of accounting and the current financial resources measurement focus, consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects (except the Special Service Area #6 Fund), Enterprise, Internal Service and Pension Trust Funds. Budgetary comparisons are reflected in the Village's financial report for all governmental funds.

EXCESS OF ACTUAL EXPENSES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenses over budget as of the date of this report:

Fund	Excess
Police Pension	\$ 247,264

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds, the Illinois Metropolitan Investment Fund, and IPRIME.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Trust Funds are held separately from those of other Village funds. Statutes authorize the Pension Trust Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Trust Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

Pension Trust Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Trust Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Trust Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village - Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$35,885,666 the bank balances totaled \$36,000,150. In addition, the Village has \$14,835,770 invested in Illinois Funds, \$132,653 invested in IMET, and \$19,478,628 invested in IPRIME at year-end and, which have an average maturity of less than one year and are measured at net asset value per share as determined by the pool.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk-Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's limits its exposure to credit risk 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. At year-end, the Village's investment in the Illinois Funds, IMET and IPRIME were rated at AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. 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 Fund,, IMET, and IPRIME is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,999,758 and the bank balances totaled \$2,041,954.

Investments. The Fund has the following recurring fair value measurements as of December 31, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agencies	\$ 10,451,282	485,294	6,729,368	3,006,795	229,825
Corporate Bonds	4,015,913	95,955	2,160,875	1,743,890	15,193
Totals	14,467,195	581,249	8,890,243	4,750,685	245,018

The Fund has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Agencies	\$ 10,451,282	—	10,451,282	—
Corporate Bonds	4,015,913	—	4,015,913	—
Equity Securities				
Mutual Funds	28,899,158	28,899,158	—	—
Total Investments Measured at Fair Value	43,366,353	28,899,158	14,467,195	—

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. 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.

Credit Risk. The Fund limits its exposure to credit risk 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. Agencies were not rated. The corporate bonds are rated Baa3 to Aa1 by Moody's and Standard and Poors.

Custodial Credit Risk. 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.

For investments, 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.

Concentration or Credit Risk. The Fund's investment policy does not address concentration risk. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	37.00%	0.20% - 1.20%
Domestic Equities	34.00%	4.45% - 6.50%
International Equities	26.00%	4.45% - 7.50%
Real Estate	3.00%	3.90%
Cash and Cash Equivalents	0.00%	0.00%

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

Concentration of Credit Risk - Continued. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in July 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021, are listed in the table above.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,198,539 and the bank balances totaled \$1,198,539.

Investments. At year-end, the Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agencies	\$ 5,716,608	190,431	3,771,869	1,467,052	287,256
Corporate Bonds	2,365,844	50,506	1,122,418	1,172,663	20,257
Totals	8,082,452	240,937	4,894,287	2,639,715	307,513

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. The Fund has the following recurring fair value measurements as of December 31, 2021:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant le Inputs (Level 3)
Investments by Fair Value Level	Totals			
Debt Securities				
U.S. Agencies	\$ 5,716,608	—	5,716,608	—
Corporate Bonds	2,365,844	—	2,365,844	—
Equity Securities				
Mutual Funds	18,390,140	18,390,140	—	—
Total Investments Measured at Fair Value	26,472,592	18,390,140	8,082,452	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. 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.

Credit Risk. The Fund limits its exposure to credit risk 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. Agencies were not rated. The corporate bonds are rated Baa3 to Aa1 by Moody's and Standard and Poors.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

Custodial Credit Risk. 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.

For investments, 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.

Concentration of Credit Risk. The Fund's investment policy does not address concentration risk. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	37.00%	0.40% - 2.00%
Domestic Equities	34.00%	4.45% - 6.50%
International Equities	26.00%	4.45% - 7.50%
Real Estate	3.00%	3.90%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in July 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021, are listed in the table above.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 30,000 (1)
Nonmajor Governmental	General	2,108,382 (2)
Internal Service	Nonmajor Governmental	<u>40,000 (1)</u>
		<u><u>2,178,382</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages.

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Business-Type	<u><u>\$ 300,000</u></u>

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 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 the DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending
Nondepreciable Capital Assets				
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	5,078,492	795,190	5,038,216	835,466
	<u>34,705,134</u>	<u>795,190</u>	<u>5,038,216</u>	<u>30,462,108</u>
Depreciable Capital Assets				
Buildings	31,916,423	—	—	31,916,423
Machinery, Equipment, and Vehicles	17,554,479	547,535	100,849	18,001,165
Improvements Other Than Buildings	3,218,976	6,241,097	—	9,460,073
Infrastructure	38,814,146	—	—	38,814,146
	<u>91,504,024</u>	<u>6,788,632</u>	<u>100,849</u>	<u>98,191,807</u>
Less Accumulated Depreciation				
Buildings	10,347,098	703,110	—	11,050,208
Machinery, Equipment, and Vehicles	9,235,892	1,304,706	96,081	10,444,517
Improvements Other Than Buildings	1,776,564	143,053	—	1,919,617
Infrastructure	27,437,884	578,106	—	28,015,990
	<u>48,797,438</u>	<u>2,728,975</u>	<u>96,081</u>	<u>51,430,332</u>
Total Net Depreciable Capital Assets	<u>42,706,586</u>	<u>4,059,657</u>	<u>4,768</u>	<u>46,761,475</u>
Total Net Capital Assets	<u>77,411,720</u>	<u>4,854,847</u>	<u>5,042,984</u>	<u>77,223,583</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,156,640
Public Works	578,107
Internal Service	<u>994,228</u>
	<u>2,728,975</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,254,634	—	—	2,254,634
Construction in Progress	114,697	28,555	—	143,252
	<u>2,369,331</u>	<u>28,555</u>	<u>—</u>	<u>2,397,886</u>
Depreciable Capital Assets				
Buildings and Structures	12,662,864	—	—	12,662,864
Machinery, Equipment, and Vehicles	3,462,364	27,000	—	3,489,364
Underground Systems	19,012,420	278,270	—	19,290,690
Improvements Other Than Buildings	10,651,355	—	—	10,651,355
	<u>45,789,003</u>	<u>305,270</u>	<u>—</u>	<u>46,094,273</u>
Less Accumulated Depreciation				
Buildings and Structures	7,042,886	248,099	—	7,290,985
Machinery, Equipment, and Vehicles	2,688,743	130,373	—	2,819,116
Underground Systems	7,881,930	366,962	—	8,248,892
Improvements Other Than Buildings	6,283,487	337,667	—	6,621,154
	<u>23,897,046</u>	<u>1,083,101</u>	<u>—</u>	<u>24,980,147</u>
Total Net Depreciable Capital Assets	<u>21,891,957</u>	<u>(777,831)</u>	<u>—</u>	<u>21,114,126</u>
Total Net Capital Assets	<u>24,261,288</u>	<u>(749,276)</u>	<u>—</u>	<u>23,512,012</u>

Depreciation expense was charged to business-type activities as follows:

Waterworks and Sewerage	\$ 1,004,515
Municipal Railroad Parking Lot	<u>78,586</u>
	<u>1,083,101</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Component Unit - Hanover Square

Component unit capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,017,088	—	—	1,017,088
Depreciable Capital Assets				
Buildings and Improvements	6,947,543	—	—	6,947,543
Less Accumulated Depreciation				
Buildings and Improvements	853,188	290,298	—	1,143,486
Total Net Depreciable Capital Assets	6,094,355	(290,298)	—	5,804,057
Total Net Capital Assets	7,111,443	(290,298)	—	6,821,145

Depreciation expense of \$290,298 was charged to Hanover Square.

CONSTRUCTION CONTRACTS

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

	Project Authorizations	Expended to Date	Commitments
Water Meter Change-Out Project	\$ 4,900,000	3,500,042	1,399,958
West Branch Stabilization Project	500,000	27,120	472,880
	5,400,000	3,527,162	1,872,838

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$12,980,000 General Obligation Refunding Bonds of 2020, due in annual installments of \$970,000 to \$1,385,000 plus interest at 4.00% through December 1, 2030.	General Obligation Bond Series of 2020	11,670,000	—	970,000	10,700,000

Component Unit - Hanover Square

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, 2021, the outstanding balance was \$3,128,112.

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, 2021, the outstanding balance was \$831,128.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 996,707	158,252	316,504	838,455	41,923
Net Pension Liability/(Asset) - IMRF	2,657,388	—	2,843,012	(185,624)	—
Net Pension Liability - Police	30,158,367	—	4,747,680	25,410,687	—
Net Pension Liability - Fire	14,848,419	—	1,275,677	13,572,742	—
Total OPEB Liability - RBP	8,357,951	—	19,408	8,338,543	—
General Obligation Bonds	11,670,000	—	970,000	10,700,000	1,010,000
Plus: Unamortized Premium	1,698,795	—	169,879	1,528,916	—
	<u>70,387,627</u>	<u>158,252</u>	<u>10,342,160</u>	<u>60,203,719</u>	<u>1,051,923</u>
Business-Type Activities					
Compensated Absences	153,747	1,991	3,982	151,756	7,588
Net Pension Liability/(Asset) - IMRF	1,299,698	—	1,385,113	(85,415)	—
Total OPEB Liability - RBP	1,525,054	132,599	—	1,657,653	—
Asset Retirement Obligation	350,000	—	—	350,000	—
	<u>3,328,499</u>	<u>134,590</u>	<u>1,389,095</u>	<u>2,073,994</u>	<u>7,588</u>
Component Unit - Hanover Square					
Wintrust Line of Credit	3,277,070	—	148,958	3,128,112	148,959
Wintrust Construction Line of Credit	848,731	—	17,603	831,128	17,603
	<u>4,125,801</u>	<u>—</u>	<u>166,561</u>	<u>3,959,240</u>	<u>166,562</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

For the governmental activities, payments on the compensated absences, the net pension liabilities/(assets), and the total OPEB liability are made by the General Fund. Payments on the general obligation bonds are liquidated by the General Obligation Bond Series of 2020 Fund.

Additionally, for business-type activities, the compensated absences, the net pension liability/(asset), the total OPEB liability, and asset retirement obligation are liquidated by the Waterworks and Sewerage Fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included are part of the above totals for governmental activities. At year end, there are no long-term liabilities in the internal service funds.

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities	
	General Obligation	
	Bonds	
	Principal	Interest
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
Totals	10,700,000	2,252,200

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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 various water wells and demolition of the Village's water towers and stand pipes at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 38 to 55 years.

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the 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 Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Village Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Village Council itself or b) a body or official to which the Village Council has delegated the authority to assign amounts to be used for specific purposes. The Village has adopted a financial policy authorizing the Village Manager to assign amounts for a specific purpose.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures to provide financing for unanticipated expenditures and revenue shortfalls.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Nonmajor	Totals
		Motor Fuel Tax	Increment Financing #3		
Nonspendable					
Prepays	\$ 8,217	—	—	—	8,217
Inventories	25,014	—	—	—	25,014
	<u>33,231</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>33,231</u>
Restricted					
Public Safety	—	—	—	427,723	427,723
Highways and Streets	—	1,637,352	—	2,197,830	3,835,182
Community Development	—	—	7,978,676	1,216,737	9,195,413
Debt Service	—	—	—	496,131	496,131
Special Service Areas	—	—	—	439,802	439,802
	<u>—</u>	<u>1,637,352</u>	<u>7,978,676</u>	<u>4,778,223</u>	<u>14,394,251</u>
Assigned					
Capital Improvements	—	—	—	1,212,347	1,212,347
Unassigned					
	<u>37,759,623</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>37,759,623</u>
Total Fund Balances	<u><u>37,792,854</u></u>	<u><u>1,637,352</u></u>	<u><u>7,978,676</u></u>	<u><u>5,990,570</u></u>	<u><u>53,399,452</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2021:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	77,223,583
Plus: Unamortized Loss on Refunding		191,900
Less Capital Related Debt:		
General Obligation Bonds		(10,700,000)
Unamortized Premium		<u>(1,528,916)</u>
Net Investment in Capital Assets		<u><u>65,186,567</u></u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		<u><u>23,512,012</u></u>

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT - Continued

Intergovernmental Risk Management Agency (IRMA)

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs.

The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

CONTINGENT LIABILITIES

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 attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

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 expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Villages operations and financial position cannot be determined.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

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.

Economic Development Agreement

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, 2021.

The Village has an agreement with a Developer for incremental real estate taxes generated from the Redevelopment Project up to a maximum of \$1,900,000. Those incremental real estate shall be the source of funding for reimbursing the Developer for up to \$1.2M of its Redevelopment Project Cost. and satisfying the \$700,000 Notes. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached. The \$700,000 was paid in full in June 2017. For the reimbursement of the Developer the total cumulative expenditures incurred under this agreement is \$1,125,560.90 as of December 31, 2021

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 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 this agreement during the year ended December 31, 2021 was \$5,704,843. A liability of \$3,654,628 has been reported as of December 31, 2021 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, 2021 is \$31,641,568.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

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, 2021 are as follows:

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

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

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

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

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

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

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

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

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 \$5,175,721 to JAWA for the year ended December 31, 2021. All payments were paid from the Waterworks and Sewerage Fund.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff’s Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, the Police Pension Plan which is a single-employer pension plan, and the Firefighters’ Pension Plan which is also a single-employer pension plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police Pension Plan and Firefighter Pension Plan may be obtained by writing to the Village at 2121 Lake Street, Hanover Park, Illinois 60133. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability/ (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
IMRF				
Regular	\$ (260,375)	(271,039)	1,619,290	4,707,474
SLEP	(51,511)	(362,284)	—	96,045
Police Pension	2,754,020	25,410,687	3,715,834	3,797,259
Firefighters' Pension	1,743,840	13,572,742	2,342,997	1,732,612
	<u>4,185,974</u>	<u>38,350,106</u>	<u>7,678,121</u>	<u>10,333,390</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters’ Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>
Inactive Plan Members Currently Receiving Benefits	137	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	78	—
Active Plan Members	<u>98</u>	<u>—</u>
Total	<u><u>313</u></u>	<u><u>2</u></u>

Contributions. As set by statute, the Village's Regular Plan and SLEP Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year-ended December 31, 2021, the Village's contribution was 13.55% of covered payroll for the Regular Plan and there was no covered payroll for the SLEP plan.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

	Regular	SLEP
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions		
Interest Rate	7.25%	7.25%
Salary Increases	2.85% to 13.75%	2.85% to 13.75%
Cost of Living Adjustments	2.25%	2.25%
Inflation	2.25%	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020..

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 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 to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The discount rate is for both the Regular and the SLEP plan. 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 Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Village'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.

Discount Rate Sensitivity

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

	Regular Plan		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Net Pension Liability/(Asset) \$	5,701,964	(271,039)	(5,110,411)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity - Continued

	SLEP Plan		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (305,871)	(362,284)	(411,114)

Changes in the Net Pension Liability/(Asset) - Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ Asset (A) - (B)
Balances at December 31, 2019	\$ 54,255,053	50,297,967	3,957,086
Changes for the Year:			
Service Cost	764,839	—	764,839
Interest on the Total Pension Liability	3,851,402	—	3,851,402
Difference between Expected and Actual Experience of the total Pension Liability	(222,297)	—	(222,297)
Changes in Assumptions	(198,217)	—	(198,217)
Contributions - Employer	—	893,629	(893,629)
Contributions - Employees	—	361,530	(361,530)
Net Investment Income	—	7,259,720	(7,259,720)
Benefit Payments, Including Refunds of Employee Contributions	(3,029,386)	(3,029,386)	—
Other (Net Transfer)	—	(91,027)	91,027
Net Changes	1,166,341	5,394,466	(4,228,125)
Balances at December 31, 2020	55,421,394	55,692,433	(271,039)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset) - SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2019	\$ 622,306	886,653	(264,347)
Changes for the Year:			
Service Cost	—	—	—
Interest on the Total Pension Liability	43,244	—	43,244
Difference between Expected and Actual Experience of the total Pension Liability	7,326	—	7,326
Changes in Assumptions	3,163	—	3,163
Contributions - Employer	—	—	—
Contributions - Employees	—	—	—
Net Investment Income	—	140,478	(140,478)
Benefit Payments, Including Refunds of Employee Contributions	(51,675)	(51,675)	—
Other (Net Transfer)	—	11,192	(11,192)
Net Changes	2,058	99,995	(97,937)
Balances at December 31, 2020	624,364	986,648	(362,284)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension revenue of \$260,375 for the Regular Plan and a pension revenue of \$51,511 for the SLEP Plan. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Regular Plan		SLEP Plan		Totals
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	
Difference Between Expected and Actual Experience	\$ 475,023	(168,176)	—	—	306,847
Change in Assumptions	185,344	(136,111)	—	—	49,233
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,403,187)	—	(96,045)	(4,499,232)
Total Pension Expense to be Recognized in Future Periods	660,367	(4,707,474)	—	(96,045)	(4,143,152)
Pension Contributions Made Subsequent to the Measurement Date	958,923	—	—	—	958,923
Total Deferred Amounts Related to IMRF & SLEP	1,619,290	(4,707,474)	—	(96,045)	(3,184,229)

\$958,923 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources		
	Regular Plan	SLEP Plan	Totals
2022	\$ (949,587)	(31,269)	(980,856)
2023	(597,832)	(11,267)	(609,099)
2024	(1,763,543)	(37,978)	(1,801,521)
2025	(736,145)	(15,531)	(751,676)
2026	—	—	—
Thereafter	—	—	—
Totals	(4,047,107)	(96,045)	(4,143,152)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	45
Active Plan Members	<u>10</u>
Total	<u><u>109</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required 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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2021, the Village's contribution was 64.75% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) adjusted for plan status, collar, and Illinois public pension data, as appropriate.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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 net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 36,102,417	25,410,687	16,754,391

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 69,615,463	39,457,096	30,158,367
Changes for the Year:			
Service Cost	1,318,728	—	1,318,728
Interest on the Total Pension Liability	4,736,247	—	4,736,247
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(781,965)	—	(781,965)
Changes of Assumptions	(304,786)	—	(304,786)
Contributions - Employer	—	3,481,268	(3,481,268)
Contributions - Employees	—	529,397	(529,397)
Contributions - Other	—	53,061	(53,061)
Net Investment Income	—	5,652,178	(5,652,178)
Benefit Payments, Including Refunds of Employee Contributions	(3,674,708)	(3,674,708)	—
Other (Net Transfer)	(63,547)	(63,547)	—
Net Changes	1,229,969	5,977,649	(4,747,680)
Balances at December 31, 2021	70,845,432	45,434,745	25,410,687

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension expense of \$2,754,020. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,337,797	(1,010,731)	1,327,066
Change in Assumptions	1,378,037	(260,684)	1,117,353
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,525,844)	(2,525,844)
Total Deferred Amounts Related to Police Pension	<u>3,715,834</u>	<u>(3,797,259)</u>	<u>(81,425)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ 306,984
2023	(660,101)
2024	(151,439)
2025	(213,225)
2026	279,518
Thereafter	<u>356,838</u>
Total	<u>(81,425)</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	32
Active Plan Members	<u>13</u>
Total	<u><u>79</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2021, the Village's contribution was 58.69% of covered payroll.

Concentrations. At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) study, improved generationally using MP-2019 improvement rates.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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 net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 19,925,915	13,572,742	8,431,286

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 38,528,407	23,679,988	14,848,419
Changes for the Year:			
Service Cost	996,009	—	996,009
Interest on the Total Pension Liability	2,630,397	—	2,630,397
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,134,455	—	1,134,455
Changes of Assumptions	(160,093)	—	(160,093)
Contributions - Employer	—	2,045,357	(2,045,357)
Contributions - Employees	—	347,350	(347,350)
Contributions - Other	—	41,076	(41,076)
Net Investment Income	—	3,442,662	(3,442,662)
Benefit Payments, Including Refunds of Employee Contributions	(1,776,440)	(1,776,440)	—
Other (Net Transfer)	(73,909)	(73,909)	—
Net Changes	2,750,419	4,026,096	(1,275,677)
Balances at December 31, 2021	41,278,826	27,706,084	13,572,742

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension expense of \$1,743,840. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,645,674	(29,165)	1,616,509
Change in Assumptions	697,323	(195,644)	501,679
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,507,803)	(1,507,803)
Total Deferred Amounts Related to Firefighters' Pension	<u>2,342,997</u>	<u>(1,732,612)</u>	<u>610,385</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ 335,250
2023	(238,093)
2024	27,906
2025	30,819
2026	344,616
Thereafter	<u>109,887</u>
Total	<u>610,385</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Village of Hanover Park Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. The RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its employee manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The activity of the plan is reported in the Village's governmental and business-type activities, as well as the Square component unit.

Benefits Provided. RBP provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65, Medicare becomes the primary insurer.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>192</u>
Total	<u><u>221</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	2.06%
Healthcare Cost Trend Rates	5.00% in 2021, with an ultimate trend rate of 5.00%
Retirees' Share of Benefit-Related Costs	100% of the projected health insurance premiums for retirees

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

Mortality rates were based on the following:

Active IMRF Mortality follows PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study dated December 14, 2020.

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.

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.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2020	<u>\$ 9,883,005</u>
Changes for the Year:	
Service Cost	584,904
Interest on the Total OPEB Liability	206,809
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(422,722)
Benefit Payments	<u>(255,800)</u>
Net Changes	<u>113,191</u>
Balances at December 31, 2021	<u><u>9,996,196</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.06%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 11,845,687	9,996,196	8,537,674

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 8,119,804	9,996,196	12,518,970

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

For the year ended December 31, 2021, the Village recognized OPEB expense of \$1,008,306. At December 31, 2021, 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	Totals
Difference Between Expected and Actual Experience	\$ 93,955	—	93,955
Change in Assumptions	2,404,186	(749,387)	1,654,799
Net Difference Between Projected and Actual	—	—	—
 Total Deferred Amounts Related to OPEB	 2,498,141	 (749,387)	 1,748,754

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

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

Fiscal Year	Net Deferred Outflows of Resources
2022	\$ 216,593
2023	216,593
2024	216,593
2025	216,593
2026	216,593
Thereafter	<u>665,789</u>
Total	<u><u>1,748,754</u></u>

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$5,093,104 to be received in two installments. On August 13, 2021 the Village received their first installment of \$2,546,552. As of the date of these financial statements, the Village has not received their second installment.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund - Regular Plan
 - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund - Regular Plan
 - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - General Fund
 - Riverfront - The Quarter TIF - Special Revenue Fund
 - Port of Call TIF - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF HANOVER PARK, ILLINOIS

**Illinois Municipal Retirement Fund - Regular Plan
Schedule of Employer Contributions
December 31, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 888,579	\$ 888,579	\$ —	\$ 6,543,294	13.58%
2016	950,875	950,875	—	6,787,117	14.01%
2017	977,967	977,967	—	7,129,096	13.72%
2018	936,901	936,901	—	7,218,031	12.98%
2019	775,041	775,041	—	7,598,438	10.20%
2020	893,629	893,629	—	7,297,551	12.25%
2021	958,923	958,923	—	7,078,914	13.55%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)

Schedule of Employer Contributions

December 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ —	\$ —	\$ —	\$ —	N/A
2016	—	—	—	—	N/A
2017	—	—	—	—	N/A
2018	—	—	—	—	N/A
2019	—	—	—	—	N/A
2020	—	—	—	—	N/A
2021	—	—	—	—	N/A

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HANOVER PARK, ILLINOIS

**Police Pension Fund
Schedule of Employer Contributions
December 31, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,275,435	\$ 1,275,435	\$ —	\$ 5,101,739	25.00%
2015	2,078,956	2,078,956	—	5,020,825	41.41%
2016	2,153,658	2,153,658	—	5,140,730	41.89%
2017	2,273,048	2,300,432	27,384	5,341,112	43.07%
2018	2,457,076	2,477,582	20,506	5,242,425	47.26%
2019	2,622,455	2,658,387	35,932	5,243,756	50.70%
2020	2,890,977	2,897,330	6,353	5,733,666	50.53%
2021	3,462,567	3,481,268	18,701	5,376,171	64.75%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Retirement Age	Graded by Age
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

VILLAGE OF HANOVER PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
December 31, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 714,491	\$ 714,491	\$ —	\$ 2,980,239	23.97%
2015	1,164,625	1,164,625	—	2,965,597	39.27%
2016	1,220,758	1,220,758	—	3,115,991	39.18%
2017	1,351,723	1,380,568	28,845	3,183,775	43.36%
2018	1,517,169	1,527,385	10,216	3,241,631	47.12%
2019	1,594,025	1,615,441	21,416	3,346,426	48.27%
2020	1,735,748	1,740,298	4,550	3,506,100	49.64%
2021	2,033,260	2,045,357	12,097	3,485,097	58.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.250%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Retirement Age	Graded by Age
Mortality	RP-2000 Combined Healthy Mortality with a blue-collar adjustment, projected to the valuation date using Scale AA.

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2021

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan
Schedule of Changes in the Employer's Net Pension Liability/(Asset)
December 31, 2021

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 719,917
Interest	3,079,014
Differences Between Expected and Actual Experience	76,300
Change of Assumptions	1,548,180
Benefit Payments, Including Refunds of Member Contributions	(1,722,335)
Net Change in Total Pension Liability	<u>3,701,076</u>
Total Pension Liability - Beginning	<u>41,609,538</u>
Total Pension Liability - Ending	<u><u>45,310,614</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	889,907
Contributions - Members	283,210
Net Investment Income	2,352,058
Benefit Payments, Including Refunds of Member Contributions	(1,722,335)
Other (Net Transfer)	194,216
Net Change in Plan Fiduciary Net Position	<u>1,997,056</u>
Plan Net Position - Beginning	<u>38,832,938</u>
Plan Net Position - Ending	<u><u>40,829,994</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 4,480,620</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.11%
Covered Payroll	\$ 5,998,378
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	74.70%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
650,191	707,092	726,316	695,329	729,567	764,839
3,333,582	3,533,657	3,562,670	3,553,263	3,646,223	3,851,402
856,622	(1,609,789)	(547,766)	(111,902)	1,290,861	(222,297)
111,824	(220,887)	(1,441,816)	1,335,586	—	(198,217)
(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)	(3,029,386)
2,813,998	189,861	(51,317)	3,004,328	2,987,569	1,166,341
45,310,614	48,124,612	48,314,473	48,263,156	51,267,484	54,255,053
48,124,612	48,314,473	48,263,156	51,267,484	54,255,053	55,421,394
888,579	950,875	977,967	936,901	775,040	893,629
316,164	305,421	324,714	324,812	341,930	361,530
201,816	2,772,593	7,317,983	(2,568,462)	8,107,687	7,259,720
(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)	(3,029,386)
331,390	(1,139,027)	(989,389)	636,938	510,225	(91,027)
(400,272)	669,650	5,280,554	(3,137,759)	7,055,800	5,394,466
40,829,994	40,429,722	41,099,372	46,379,926	43,242,167	50,297,967
40,429,722	41,099,372	46,379,926	43,242,167	50,297,967	55,692,433
7,694,890	7,215,101	1,883,230	8,025,317	3,957,086	(271,039)
84.01%	85.07%	96.10%	84.35%	92.71%	100.49%
6,543,294	6,787,117	7,129,096	7,218,031	7,598,438	7,283,037
117.60%	106.31%	26.42%	111.18%	52.08%	(3.72%)

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)

Schedule of Changes in the Employer's Net Pension (Asset)

December 31, 2021

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ —
Interest	43,096
Differences Between Expected and Actual Experience	2,204
Change of Assumptions	18,072
Benefit Payments, Including Refunds of Member Contributions	(43,449)
Net Change in Total Pension Liability	<u>19,923</u>
Total Pension Liability - Beginning	<u>596,342</u>
Total Pension Liability - Ending	<u><u>616,265</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	—
Contributions - Members	—
Net Investment Income	41,034
Benefit Payments, Including Refunds of Member Contributions	(43,449)
Other (Net Transfer)	2,936
Net Change in Plan Fiduciary Net Position	<u>521</u>
Plan Net Position - Beginning	<u>694,409</u>
Plan Net Position - Ending	<u><u>694,930</u></u>
Employer's Net Pension (Asset)	<u><u>\$ (78,665)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.76%
Covered Payroll	\$ —
Employer's Net Pension (Asset) as a Percentage of Covered Payroll	—%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
—	—	—	—	—	—
44,500	44,719	44,892	43,788	43,316	43,244
4,854	5,169	5,481	6,131	6,779	7,326
—	—	(16,371)	13,607	—	3,163
(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)
3,501	2,871	(14,141)	14,213	(403)	2,058
616,265	619,766	622,637	608,496	622,709	622,306
619,766	622,637	608,496	622,709	622,306	624,364
—	—	—	—	—	—
—	—	—	—	—	—
3,360	52,097	155,674	(69,668)	166,163	140,478
(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)
20,078	95,708	(14,355)	20,080	3,410	11,192
(22,415)	100,788	93,176	(98,901)	119,075	99,995
694,930	672,515	773,303	866,479	767,578	886,653
672,515	773,303	866,479	767,578	886,653	986,648
(52,749)	(150,666)	(257,983)	(144,869)	(264,347)	(362,284)
108.51%	124.20%	142.40%	123.26%	142.48%	158.02%
—	—	—	—	—	—
—%	—%	—%	—%	—%	—%

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2021

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 826,153
Interest	2,120,601
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(74,557)
Change of Assumptions	884,268
Benefit Payments, Including Refunds of Member Contributions	1,164,414
Administrative Expense	—
Net Change in Total Pension Liability	<u>4,920,879</u>
Total Pension Liability - Beginning	<u>44,456,711</u>
Total Pension Liability - Ending	<u><u>49,377,590</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	1,275,435
Contributions - Members	323,746
Contributions - Other	—
Net Investment Income	415,166
Benefit Payments, Including Refunds of Member Contributions	(1,164,414)
Administrative Expenses	(50,938)
Net Change in Plan Fiduciary Net Position	<u>798,995</u>
Plan Net Position - Beginning	<u>26,222,203</u>
Plan Net Position - Ending	<u><u>27,021,198</u></u>
Employer's Net Pension Liability	<u><u>\$ 22,356,392</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.72%
Covered Payroll	\$ 5,101,739
Employer's Net Pension Liability as a Percentage of Covered Payroll	438.21%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the assumed rate were made in 2014, 2015, 2016 and 2021. Changes in assumptions related to certain demographics were made in 2014 and 2015. In addition, mortality assumptions were updated in 2016, 2019 and 2021.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/30/2020	12/31/2021
933,500	957,853	963,023	1,030,435	1,057,469	1,134,336	1,318,728
3,388,095	3,535,205	3,765,976	3,976,549	4,127,425	4,542,986	4,736,247
—	—	—	—	497,177	—	—
(1,191,861)	493,707	836,552	(116,138)	1,465,219	1,078,943	(781,965)
1,065,729	697,595	—	—	1,357,340	—	(304,786)
(1,952,464)	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)
—	—	—	—	—	—	(63,547)
2,242,999	3,449,025	3,025,635	2,316,031	5,608,501	3,595,682	1,229,969
49,377,590	51,620,589	55,069,614	58,095,249	60,411,280	66,019,781	69,615,463
51,620,589	55,069,614	58,095,249	60,411,280	66,019,781	69,615,463	70,845,432
2,078,956	2,153,658	2,300,432	2,477,582	2,658,387	2,897,330	3,481,268
510,565	508,475	509,894	547,137	625,248	555,842	529,397
—	11,811	7,378	—	—	568	53,061
(492,361)	2,266,438	3,350,793	(2,484,821)	4,754,224	2,838,277	5,652,178
(1,952,464)	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)
(29,889)	(40,102)	(50,125)	(47,871)	(50,722)	(61,964)	(63,547)
114,807	2,664,945	3,578,456	(2,082,788)	5,091,008	3,069,470	5,977,649
27,021,198	27,136,005	29,800,950	33,379,406	31,296,618	36,387,626	39,457,096
27,136,005	29,800,950	33,379,406	31,296,618	36,387,626	39,457,096	45,434,745
24,484,584	25,268,664	24,715,843	29,114,662	29,632,155	30,158,367	25,410,687
52.57%	54.12%	57.46%	51.81%	55.12%	56.68%	64.13%
5,020,825	5,140,730	5,341,112	5,242,425	5,243,756	5,733,666	5,376,171
487.66%	491.54%	462.75%	555.37%	565.09%	525.99%	472.65%

VILLAGE OF HANOVER PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2021**

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 534,054
Interest	1,153,817
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(123,447)
Change of Assumptions	(297,826)
Benefit Payments, Including Refunds of Member Contributions	593,064
Administrative Expenses	—
Net Change in Total Pension Liability	<u>1,859,662</u>
Total Pension Liability - Beginning	<u>24,168,610</u>
Total Pension Liability - Ending	<u><u>26,028,272</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	714,492
Contributions - Members	184,034
Contributions - Other	—
Net Investment Income	237,412
Benefit Payments, Including Refunds of Member Contributions	(593,064)
Administrative Expenses	(33,424)
Net Change in Plan Fiduciary Net Position	<u>509,450</u>
Plan Net Position - Beginning	<u>14,815,557</u>
Plan Net Position - Ending	<u><u>15,325,007</u></u>
Employer's Net Pension Liability	<u><u>\$ 10,703,265</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.88%
Covered Payroll	\$ 2,980,239
Employer's Net Pension Liability as a Percentage of Covered Payroll	359.14%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the assumed rate were made in 2014, 2015, 2016 and 2021. Changes in assumptions related to certain demographics were made in 2014 and 2015. In addition, mortality assumptions were updated in 2016, 2019 and 2021.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/30/2020	12/31/2021
697,712	789,376	802,166	858,318	825,155	883,281	996,009
1,787,834	1,917,310	2,052,799	2,167,052	2,314,830	2,476,269	2,630,397
—	—	—	—	285,475	—	—
(121,544)	558,032	106,820	544,169	120,121	62,411	1,134,455
517,009	(160,539)	—	—	884,261	—	(160,093)
(975,580)	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)
—	—	—	—	—	—	(73,909)
1,905,431	2,017,068	1,711,630	2,160,501	2,922,030	1,783,475	2,750,419
26,028,272	27,933,703	29,950,771	31,662,401	33,822,902	36,744,932	38,528,407
27,933,703	29,950,771	31,662,401	33,822,902	36,744,932	38,528,407	41,278,826
1,164,625	1,220,758	1,380,568	1,527,385	1,615,441	1,740,298	2,045,357
293,937	293,235	297,440	313,564	325,933	321,125	347,350
—	109	—	—	—	3,873	41,076
(295,023)	1,308,890	1,970,968	(1,484,133)	2,805,517	1,646,028	3,442,662
(975,580)	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)
(25,611)	(25,152)	(38,591)	(45,159)	(44,266)	(48,596)	(73,909)
162,348	1,710,729	2,360,230	(1,097,381)	3,194,813	2,024,242	4,026,096
15,325,007	15,487,355	17,198,084	19,558,314	18,460,933	21,655,746	23,679,988
15,487,355	17,198,084	19,558,314	18,460,933	21,655,746	23,679,988	27,706,084
12,446,348	12,752,687	12,104,087	15,361,969	15,089,186	14,848,419	13,572,742
55.44%	57.42%	61.77%	54.58%	58.94%	61.46%	67.12%
2,965,597	3,115,991	3,183,775	3,241,631	3,346,426	3,506,100	3,485,097
419.69%	409.27%	380.18%	473.90%	450.90%	423.50%	389.45%

VILLAGE OF HANOVER PARK, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2021**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	2.15 %
2015	(1.71 %)
2016	8.38 %
2017	11.27 %
2018	(7.35 %)
2019	15.14 %
2020	8.15 %
2021	14.69 %

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HANOVER PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Investment Returns
December 31, 2021**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	2.25%
2015	(1.76%)
2016	8.44%
2017	11.39%
2018	(7.42%)
2019	15.28%
2020	7.62%
2021	14.45%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HANOVER PARK, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2021

	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Total OPEB Liability				
Service Cost	\$ 220,378	195,099	255,215	584,904
Interest	223,062	247,704	234,820	206,809
Changes in Benefit Terms	—	—	111,039	—
Differences Between Expected and Actual Experience	—	—	—	—
Change of Assumptions or Other Inputs	(590,417)	2,377,075	856,682	(422,722)
Benefit Payments	(294,312)	(291,069)	(289,674)	(255,800)
Net Change in Total OPEB Liability	(441,289)	2,528,809	1,168,082	113,191
Total OPEB Liability - Beginning	6,627,403	6,186,114	8,714,923	9,883,005
Total OPEB Liability - Ending	6,186,114	8,714,923	9,883,005	9,996,196
Covered-Employee Payroll	\$ 15,750,457	16,681,390	15,802,144	16,276,208
Total OPEB Liability as a Percentage of Covered-Employee Payroll	39.28%	52.24%	62.54%	61.42%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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

Changes of Assumptions. Changes of assumptions related to the discount rate were made in 2018 through 2021.

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 21,546,396	21,546,396	25,553,221
Intergovernmental	13,555,360	13,555,360	18,370,462
Licenses and Permits	1,108,400	1,108,400	1,413,518
Charges for Services	1,941,040	1,941,040	2,218,944
Fines and Forfeitures	862,000	862,000	969,637
Investment Income	281,000	281,000	13,940
Miscellaneous	196,000	196,000	215,304
Total Revenues	<u>39,490,196</u>	<u>39,490,196</u>	<u>48,755,026</u>
Expenditures			
General Government	5,000,722	5,000,722	4,603,707
Public Works	4,592,254	4,592,254	4,299,445
Public Safety	24,483,149	24,483,149	22,708,589
Community Development	3,982,230	6,187,074	6,131,926
Total Expenditures	<u>38,058,355</u>	<u>40,263,199</u>	<u>37,743,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,431,841</u>	<u>(773,003)</u>	<u>11,011,359</u>
Other Financing Sources (Uses)			
Transfers In	30,000	30,000	30,000
Transfers Out	(2,108,382)	(2,408,382)	(2,108,382)
	<u>(2,078,382)</u>	<u>(2,378,382)</u>	<u>(2,078,382)</u>
Net Change in Fund Balance	<u>(646,541)</u>	<u>(3,151,385)</u>	8,932,977
Fund Balance - Beginning			<u>28,859,877</u>
Fund Balance - Ending			<u><u>37,792,854</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,400,000	1,400,000	1,487,858
State Grants	—	—	834,190
Investment Income	7,000	7,000	882
Miscellaneous	—	—	125,000
Total Revenues	<u>1,407,000</u>	<u>1,407,000</u>	<u>2,447,930</u>
Expenditures			
Capital Outlay	<u>2,334,000</u>	<u>2,334,000</u>	<u>2,190,455</u>
Net Change in Fund Balance	<u>(927,000)</u>	<u>(927,000)</u>	257,475
Fund Balance - Beginning			<u>1,379,877</u>
Fund Balance - Ending			<u><u>1,637,352</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #3 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 2,000,000	2,000,000	1,917,267
Investment Income	40,000	40,000	4,287
Total Revenues	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,921,554</u>
Expenditures			
Community Development			
Contractual Services	471,000	579,489	169,608
Capital Outlay	200,000	2,416,338	605,702
Total Expenditures	<u>671,000</u>	<u>2,995,827</u>	<u>775,310</u>
Net Change in Fund Balance	<u>1,369,000</u>	<u>(955,827)</u>	1,146,244
Fund Balance - Beginning			<u>6,832,432</u>
Fund Balance - Ending			<u>7,978,676</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Major Enterprise Fund
- Budgetary Comparison Schedule - Nonmajor Enterprise Fund
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Combining Statements - Pension Trust Funds
- Budgetary Comparison Schedules - Pension Trust Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax 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.

Tax Increment Financing #3 Fund

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

Road and Bridge Fund

The Road and Bridge 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

The MWRD Fields 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

The State Restricted 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

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

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS - Continued

Foreign Fire Insurance Tax

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

Tax Increment Financing #4

The Tax Increment Financing #4 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

The Tax Increment Financing #5 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

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

Special Service Area #4

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

Special Service Area #5

The Special Service Area #5 is used to account for 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."

INDIVIDUAL FUND DESCRIPTIONS - Continued

DEBT SERVICE FUND

General Obligation Bond Series of 2020

The General Obligation Bond Series of 2020 Fund is used to accumulate monies restricted for the payment of 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.

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary Funds.

Special Service Area #6

The Special Service Area #6 is used to account 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.

Capital Projects

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

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

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.

INDIVIDUAL FUND DESCRIPTIONS - Continued

ENTERPRISE FUNDS - Continued

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.

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Central Equipment Fund

The Central Equipment Fund is used to account for the purchase of vehicles and equipment for various departments throughout the Village. Financing is provided by charges to the various village funds.

IT Equipment Replacement Fund

The IT Equipment Replacement 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.

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn police personnel. Resources are contributed by sworn police personnel at rates fixed by State statutes and by the City at an amount determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to sworn officers of the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 11,946,896	11,946,896	12,020,586
Home Rule Sales Taxes	6,300,000	6,300,000	9,443,282
Utility - Simplified Telephone	325,000	325,000	309,300
Utility - Electric	950,000	950,000	967,357
Utility - Natural Gas	435,000	435,000	412,239
Real Estate Transfer Taxes	395,000	395,000	832,453
Hotel and Motel Taxes	44,500	44,500	50,797
Prepared Food Taxes	1,150,000	1,150,000	1,517,207
Total Taxes	21,546,396	21,546,396	25,553,221
Intergovernmental			
Sales Taxes	8,200,000	8,200,000	11,395,783
Use Taxes	1,375,000	1,375,000	1,448,845
State Income Taxes	3,800,000	3,800,000	5,012,020
Replacement Taxes	83,000	83,000	158,570
Cannabis Taxes	20,000	20,000	55,533
Auto Rental Taxes	10,000	10,000	15,409
State Grants	—	—	2,543
Federal Grants	—	—	200,227
Reimbursement - DuPage County	16,910	16,910	16,910
Reimbursement - ILEAS	450	450	1,160
Reimbursement - Police	25,000	25,000	37,728
Reimbursement - Fire	25,000	25,000	25,734
Total Intergovernmental	13,555,360	13,555,360	18,370,462
Licenses and Permits			
Licenses			
Business	70,000	70,000	66,705
Liquor	62,000	62,000	66,257
Contractor	40,000	40,000	42,235
Vendor/Solicitor	—	—	325
Animal	400	400	355
Penalties on Licenses	15,000	15,000	41,581
Multi Family	94,600	94,600	102,750
Single Family	115,000	115,000	77,200
Land Use Development	—	—	5,250
Cable Franchise Fee	350,000	350,000	344,783
Solid Waste Franchise Fee	100,500	100,500	122,699

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Licenses and Permits - Continued			
Permits			
Building	\$ 260,000	260,000	541,856
Sign	900	900	1,522
Total Licenses and Permits	<u>1,108,400</u>	<u>1,108,400</u>	<u>1,413,518</u>
Charges for Services			
Printed Materials	7,000	7,000	5,918
Ambulance Fees	900,000	900,000	784,058
Ground Emergency Medical Transport	100,000	100,000	461,502
Plan Review - Engineer Fees	—	—	38,009
Plan Review - Inspection Service Fees	60,000	60,000	112,769
Building Reinspection Fees	500	500	175
Immobilization Fees	—	—	2,400
CPR Fees	2,900	2,900	4,695
Vehicle Impound Fees	450,000	450,000	352,321
ADT Administrative Fees	6,900	6,900	7,324
Public Safety Application Fees	500	500	—
Child Safety Seat Install Fees	—	—	135
Rental Income	335,740	335,740	340,322
Overweight Vehicle Fee	7,500	7,500	23,469
Foreclosure Registration Fee	70,000	70,000	65,012
Renewable Green Energy	—	—	20,835
Total Charges for Services	<u>1,941,040</u>	<u>1,941,040</u>	<u>2,218,944</u>
Fines and Forfeitures			
Traffic Fines - Cook	20,000	20,000	50,236
Traffic Fines - DuPage	190,000	190,000	271,718
Ordinance Violations	502,000	502,000	503,669
Police False Alarm Fines	5,000	5,000	500
Fire False Alarm Fines	4,000	4,000	3,325
Red Light Camera	140,000	140,000	139,459
Kennel Fees	1,000	1,000	730
Total Fines and Forfeitures	<u>862,000</u>	<u>862,000</u>	<u>969,637</u>
Investment Income	<u>281,000</u>	<u>281,000</u>	<u>13,940</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Miscellaneous			
Reimbursements	\$ 79,500	79,500	95,153
Corporate Partnership Program	12,500	12,500	5,370
Central Equipment Funding - Water and Sewer	59,000	59,000	59,000
Other	45,000	45,000	55,781
Total Miscellaneous	196,000	196,000	215,304
Total Revenues	39,490,196	39,490,196	48,755,026

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
General Government			
President and Board of Trustees			
Personal Services	\$ 67,228	67,228	61,576
Commodities	58,319	58,319	52,793
Contractual Services	26,040	26,040	11,768
	<u>151,587</u>	<u>151,587</u>	<u>126,137</u>
Village Clerk			
Personal Services	95,332	95,332	95,714
Commodities	3,760	3,760	2,653
Contractual Services	34,970	34,970	24,812
	<u>134,062</u>	<u>134,062</u>	<u>123,179</u>
Village Collector			
Personal Services	101,473	101,473	175
Contractual Services	—	—	639
	<u>101,473</u>	<u>101,473</u>	<u>814</u>
Environmental Committee			
Commodities	175	175	55
Contractual Services	850	850	1,200
	<u>1,025</u>	<u>1,025</u>	<u>1,255</u>
Special Events Committee			
Contractual Services	42,800	42,800	38,392
Historical Commission			
Commodities	550	550	—
Contractual Services	500	500	—
	<u>1,050</u>	<u>1,050</u>	<u>—</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
General Government - Continued			
Cultural Inclusion and Diversity Committee			
Commodities	\$ 200	200	—
Contractual Services	3,550	3,550	1,761
	<u>3,750</u>	<u>3,750</u>	<u>1,761</u>
Sister Cities Committee			
Commodities	770	770	660
Contractual Services	5,050	5,050	2,524
	<u>5,820</u>	<u>5,820</u>	<u>3,184</u>
Veterans Committee			
Commodities	250	250	100
Contractual Services	1,500	1,500	560
	<u>1,750</u>	<u>1,750</u>	<u>660</u>
Development Commission			
Commodities	275	275	186
Contractual Services	525	525	225
	<u>800</u>	<u>800</u>	<u>411</u>
Economic Development Committee			
Commodities	1,060	1,060	960
Contractual Services	4,150	4,150	1,954
	<u>5,210</u>	<u>5,210</u>	<u>2,914</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
General Government - Continued			
Finance Department Administration			
Personal Services	\$ 187,425	187,425	177,785
Commodities	2,325	2,325	1,782
Contractual Services	8,348	8,348	5,241
	<u>198,098</u>	<u>198,098</u>	<u>184,808</u>
Collections			
Personal Services	183,423	183,423	132,009
Commodities	9,650	9,650	9,438
Contractual Services	775	775	477
	<u>193,848</u>	<u>193,848</u>	<u>141,924</u>
General Accounting			
Personal Services	157,065	157,065	146,383
Commodities	2,025	2,025	1,805
Contractual Services	43,840	43,840	48,710
	<u>202,930</u>	<u>202,930</u>	<u>196,898</u>
General Administrative Services			
Personal Services	102,181	102,181	116,603
Contractual Services	1,167,266	1,167,266	1,074,107
	<u>1,269,447</u>	<u>1,269,447</u>	<u>1,190,710</u>
COVID-19			
Personal Services	—	—	98,856
Commodities	—	—	7,893
Contractual Services	—	—	23,281
	<u>—</u>	<u>—</u>	<u>130,030</u>
Village Manager			
Personal Services	590,680	590,680	566,037
Commodities	19,037	19,037	20,075
Contractual Services	97,625	97,625	60,991
	<u>707,342</u>	<u>707,342</u>	<u>647,103</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
General Government - Continued			
Human Resources			
Personal Services	\$ 343,096	343,096	334,465
Commodities	34,094	34,094	28,789
Contractual Services	173,552	173,552	118,231
	<u>550,742</u>	<u>550,742</u>	<u>481,485</u>
Information Technology			
Personal Services	277,848	277,848	252,163
Commodities	66,740	66,740	48,818
Contractual Services	1,084,400	1,084,400	1,031,061
	<u>1,428,988</u>	<u>1,428,988</u>	<u>1,332,042</u>
Total General Government	<u>5,000,722</u>	<u>5,000,722</u>	<u>4,603,707</u>
Public Works			
Administration			
Personal Services	155,759	155,759	147,450
Commodities	1,345	1,345	1,589
Contractual Services	14,550	14,550	14,231
	<u>171,654</u>	<u>171,654</u>	<u>163,270</u>
Streets			
Personal Services	1,167,430	1,167,430	1,077,324
Commodities	146,245	146,245	143,852
Contractual Services	412,621	412,621	410,869
	<u>1,726,296</u>	<u>1,726,296</u>	<u>1,632,045</u>
Forestry			
Personal Services	237,770	237,770	196,518
Commodities	12,300	12,300	15,851
Contractual Services	415,869	415,869	300,247
	<u>665,939</u>	<u>665,939</u>	<u>512,616</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Public Works - Continued			
Public Buildings			
Personal Services	\$ 339,666	339,666	314,487
Commodities	91,175	91,175	90,001
Contractual Services	226,678	226,678	237,051
	<u>657,519</u>	<u>657,519</u>	<u>641,539</u>
Fleet Services			
Personal Services	435,676	435,676	404,960
Commodities	330,250	330,250	403,810
Contractual Services	112,513	112,513	133,887
	<u>878,439</u>	<u>878,439</u>	<u>942,657</u>
Engineering			
Personal Services	454,696	454,696	389,018
Commodities	4,610	4,610	3,899
Contractual Services	33,101	33,101	14,401
	<u>492,407</u>	<u>492,407</u>	<u>407,318</u>
Total Public Works	<u>4,592,254</u>	<u>4,592,254</u>	<u>4,299,445</u>
Public Safety			
Fire Department			
Administration			
Personal Services	712,513	712,513	686,188
Commodities	10,212	10,212	9,335
Contractual Services	28,220	28,220	20,577
	<u>750,945</u>	<u>750,945</u>	<u>716,100</u>
Fire Suppression			
Personal Services	6,577,265	6,577,265	6,429,729
Commodities	73,480	73,480	64,821
Contractual Services	620,641	620,641	595,107
	<u>7,271,386</u>	<u>7,271,386</u>	<u>7,089,657</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Fire Department - Continued			
Inspectional Services			
Personal Services	\$ 734,096	734,096	502,360
Commodities	6,665	6,665	7,576
Contractual Services	41,466	41,466	65,409
	<u>782,227</u>	<u>782,227</u>	<u>575,345</u>
Non-Emergency 911			
Personal Services	105,432	105,432	78,749
Commodities	3,750	3,750	2,979
Contractual Services	12,314	12,314	9,673
	<u>121,496</u>	<u>121,496</u>	<u>91,401</u>
Total Fire Department	<u>8,926,054</u>	<u>8,926,054</u>	<u>8,472,503</u>
Police Department			
Administration			
Personal Services	982,319	982,319	989,704
Commodities	10,822	10,822	9,146
Contractual Services	25,216	25,216	16,538
	<u>1,018,357</u>	<u>1,018,357</u>	<u>1,015,388</u>
Patrol			
Personal Services	9,472,249	9,472,249	8,688,595
Commodities	89,495	89,495	76,550
Contractual Services	242,416	242,416	241,728
	<u>9,804,160</u>	<u>9,804,160</u>	<u>9,006,873</u>
Investigations			
Personal Services	2,042,480	2,042,480	1,890,651
Commodities	40,937	40,937	39,554
Contractual Services	39,748	39,748	43,316
	<u>2,123,165</u>	<u>2,123,165</u>	<u>1,973,521</u>
Community Services			
Personal Services	104,172	104,172	99,199
Commodities	345	345	60
Contractual Services	3,200	3,200	3,032
	<u>107,717</u>	<u>107,717</u>	<u>102,291</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police Department - Continued			
Staff Services			
Personal Services	\$ 1,045,592	1,045,592	845,514
Commodities	27,309	27,309	27,096
Contractual Services	818,854	818,854	793,438
	<u>1,891,755</u>	<u>1,891,755</u>	<u>1,666,048</u>
Code Enforcement			
Personal Services	595,881	595,881	460,352
Commodities	3,840	3,840	3,399
Contractual Services	12,220	12,220	8,214
	<u>611,941</u>	<u>611,941</u>	<u>471,965</u>
Total Police Department	<u>15,557,095</u>	<u>15,557,095</u>	<u>14,236,086</u>
Total Public Safety	<u>24,483,149</u>	<u>24,483,149</u>	<u>22,708,589</u>
Community Development			
Economic Development			
Personal Services	435,797	435,797	417,143
Commodities	12,645	12,645	1,607
Contractual Services	3,533,788	5,738,632	5,713,176
	<u>3,982,230</u>	<u>6,187,074</u>	<u>6,131,926</u>
Total Community Development	<u>3,982,230</u>	<u>6,187,074</u>	<u>6,131,926</u>
Total Expenditures	<u>38,058,355</u>	<u>40,263,199</u>	<u>37,743,667</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2021

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2021

	Special Revenue	Debt Service General Obligation Bond Series of 2020	Capital Projects	Total
ASSETS				
Cash and Investments	\$ 4,286,720	496,131	1,614,586	6,397,437
Receivables - Net of Allowances				
Taxes	345,176	1,438,000	—	1,783,176
Accounts	103,432	—	925	104,357
Total Assets	4,735,328	1,934,131	1,615,511	8,284,970
LIABILITIES				
Accounts Payable	125,812	—	312,844	438,656
Other Payable	107,248	—	—	107,248
Total Liabilities	233,060	—	312,844	545,904
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	310,496	1,438,000	—	1,748,496
Total Liabilities and Deferred Inflows of Resources	543,556	1,438,000	312,844	2,294,400
FUND BALANCES				
Restricted	4,191,772	496,131	90,320	4,778,223
Assigned	—	—	1,212,347	1,212,347
Total Fund Balances	4,191,772	496,131	1,302,667	5,990,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	4,735,328	1,934,131	1,615,511	8,284,970

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended December 31, 2021

	Special Revenue	<u>Debt Service</u> General Obligation Bond Series of 2020	Capital Projects	Total
Revenues				
Taxes	\$ 1,522,316	1,447,361	382	2,970,059
Intergovernmental	224,317	—	—	224,317
Licenses and Permits	57,000	—	—	57,000
Fines and Forfeitures	29,998	—	—	29,998
Investment Income	1,323	337	535	2,195
Miscellaneous	—	—	230	230
Total Revenues	<u>1,834,954</u>	<u>1,447,698</u>	<u>1,147</u>	<u>3,283,799</u>
Expenditures				
General Government	—	400	—	400
Public Safety	6,744	—	—	6,744
Community Development	187,901	—	—	187,901
Highways and Streets	753,511	—	—	753,511
Capital Outlay	267,532	—	752,487	1,020,019
Debt Service				
Principal Retirement	—	970,000	—	970,000
Interest and Fiscal Charges	—	466,800	—	466,800
Total Expenditures	<u>1,215,688</u>	<u>1,437,200</u>	<u>752,487</u>	<u>3,405,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>619,266</u>	<u>10,498</u>	<u>(751,340)</u>	<u>(121,576)</u>
Other Financing Sources (Uses)				
Transfers In	1,400,000	—	708,382	2,108,382
Transfers Out	(70,000)	—	—	(70,000)
	<u>1,330,000</u>	<u>—</u>	<u>708,382</u>	<u>2,038,382</u>
Net Change in Fund Balances	1,949,266	10,498	(42,958)	1,916,806
Fund Balances - Beginning	<u>2,242,506</u>	<u>485,633</u>	<u>1,345,625</u>	<u>4,073,764</u>
Fund Balances - Ending	<u><u>4,191,772</u></u>	<u><u>496,131</u></u>	<u><u>1,302,667</u></u>	<u><u>5,990,570</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2021

	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
ASSETS				
Cash and Investments	\$ 1,465,529	767,036	249,588	13,641
Receivables - Net of Allowances				
Taxes	—	34,680	—	—
Accounts	10,459	1,500	3,965	—
Total Assets	<u>1,475,988</u>	<u>803,216</u>	<u>253,553</u>	<u>13,641</u>
LIABILITIES				
Accounts Payable	79,265	2,109	566	—
Other Payable	—	—	14,676	—
Total Liabilities	<u>79,265</u>	<u>2,109</u>	<u>15,242</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	<u>79,265</u>	<u>2,109</u>	<u>15,242</u>	<u>—</u>
FUND BALANCES				
Restricted	<u>1,396,723</u>	<u>801,107</u>	<u>238,311</u>	<u>13,641</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>1,475,988</u>	<u>803,216</u>	<u>253,553</u>	<u>13,641</u>

Foreign Fire Insurance Tax	Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	Totals
175,771	907,240	319,334	21,268	33,457	333,856	4,286,720
—	—	—	18,938	22,335	269,223	345,176
—	87,508	—	—	—	—	103,432
175,771	994,748	319,334	40,206	55,792	603,079	4,735,328
—	4,300	473	4,359	7,152	27,588	125,812
—	52,572	40,000	—	—	—	107,248
—	56,872	40,473	4,359	7,152	27,588	233,060
—	—	—	18,938	22,335	269,223	310,496
—	56,872	40,473	23,297	29,487	296,811	543,556
175,771	937,876	278,861	16,909	26,305	306,268	4,191,772
175,771	994,748	319,334	40,206	55,792	603,079	4,735,328

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended December 31, 2021

	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
Revenues				
Taxes	\$ 247,792	219,626	—	—
Intergovernmental	224,317	—	—	—
Licenses and Permits	—	57,000	—	—
Fines and Forfeitures	—	—	29,998	—
Investment Income	431	243	122	6
Total Revenues	472,540	276,869	30,120	6
Expenditures				
Public Safety	—	—	6,054	—
Community Development	—	—	—	—
Highways and Streets	736,858	16,653	—	—
Capital Outlay	238,873	1,628	—	—
Total Expenditures	975,731	18,281	6,054	—
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(503,191)	258,588	24,066	6
Other Financing Sources (Uses)				
Transfers In	1,400,000	—	—	—
Transfers Out	—	—	(70,000)	—
	1,400,000	—	(70,000)	—
Net Change in Fund Balances				
	896,809	258,588	(45,934)	6
Fund Balances - Beginning				
	499,914	542,519	284,245	13,635
Fund Balances - Ending				
	1,396,723	801,107	238,311	13,641

Foreign Fire Insurance Tax	Tax Increment Financing #4	Increment Financing #5	Service Area #3	Special Service Area #4	Special Service Area #5	Totals
39,282	545,398	247,882	18,591	21,914	181,831	1,522,316
—	—	—	—	—	—	224,317
—	—	—	—	—	—	57,000
—	—	—	—	—	—	29,998
59	246	71	16	13	116	1,323
39,341	545,644	247,953	18,607	21,927	181,947	1,834,954
690	—	—	—	—	—	6,744
—	10,750	2,781	19,850	27,233	127,287	187,901
—	—	—	—	—	—	753,511
—	—	—	22,317	4,714	—	267,532
690	10,750	2,781	42,167	31,947	127,287	1,215,688
38,651	534,894	245,172	(23,560)	(10,020)	54,660	619,266
—	—	—	—	—	—	1,400,000
—	—	—	—	—	—	(70,000)
—	—	—	—	—	—	1,330,000
38,651	534,894	245,172	(23,560)	(10,020)	54,660	1,949,266
137,120	402,982	33,689	40,469	36,325	251,608	2,242,506
175,771	937,876	278,861	16,909	26,305	306,268	4,191,772

VILLAGE OF HANOVER PARK, ILLINOIS

Road and Bridge - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 105,000	105,000	104,980
Gasoline Taxes	134,400	134,400	142,812
Intergovernmental			
Replacement Taxes	1,000	1,000	6,346
State Grants	3,672,800	3,672,800	217,971
Investment Income	7,000	7,000	431
Total Revenues	<u>3,920,200</u>	<u>3,920,200</u>	<u>472,540</u>
Expenditures			
Highways and Streets			
Commodities	165,000	165,000	156,752
Contractual Services	1,440,128	1,463,690	580,106
Capital Outlay	3,941,000	4,182,410	238,873
Total Expenditures	<u>5,546,128</u>	<u>5,811,100</u>	<u>975,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,625,928)	(1,890,900)	(503,191)
Other Financing Sources			
Transfers In	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>
Net Change in Fund Balance	<u>(225,928)</u>	<u>(490,900)</u>	896,809
Fund Balance - Beginning			<u>499,914</u>
Fund Balance - Ending			<u><u>1,396,723</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

MWRD Fields - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Video Game	\$ 190,800	190,800	219,626
Intergovernmental			
Other Grants	1,042,000	1,042,000	—
Licenses and Permits			
Video Game	50,500	50,500	57,000
Investment Income	3,000	3,000	243
Total Revenues	<u>1,286,300</u>	<u>1,286,300</u>	<u>276,869</u>
Expenditures			
Highways and Streets			
Contractual Services	46,300	46,300	16,653
Capital Outlay	1,533,025	1,533,025	1,628
Total Expenditures	<u>1,579,325</u>	<u>1,579,325</u>	<u>18,281</u>
Net Change in Fund Balance	<u>(293,025)</u>	<u>(293,025)</u>	258,588
Fund Balance - Beginning			<u>542,519</u>
Fund Balance - Ending			<u><u>801,107</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

State Restricted - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Fines and Forfeitures			
DUI Fines	\$ 10,000	10,000	16,371
Traffic Court Supervision	—	—	995
Sex Offender Fees	665	665	455
Drug Forfeiture	20,000	20,000	12,177
Investment Income	1,700	1,700	122
Total Revenues	<u>32,365</u>	<u>32,365</u>	<u>30,120</u>
Expenditures			
Public Safety			
Contractual Services	<u>64,251</u>	<u>64,251</u>	<u>6,054</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,886)	(31,886)	24,066
Other Financing (Uses)			
Transfers Out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>
Net Change in Fund Balance	<u>(101,886)</u>	<u>(101,886)</u>	(45,934)
Fund Balance - Beginning			<u>284,245</u>
Fund Balance - Ending			<u><u>238,311</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Federal Restricted - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ 100	100	6
Expenditures			
Public Safety			
Contractual Services	500	500	—
Net Change in Fund Balance	<u>(400)</u>	<u>(400)</u>	6
Fund Balance - Beginning			<u>13,635</u>
Fund Balance - Ending			<u>13,641</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Foreign Fire Insurance Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Foreign Fire Taxes	\$ 27,000	27,000	39,282
Investment Income	1,000	1,000	59
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>39,341</u>
Expenditures			
Public Safety			
Commodities	<u>30,000</u>	<u>30,000</u>	<u>690</u>
Net Change in Fund Balance	<u>(2,000)</u>	<u>(2,000)</u>	38,651
Fund Balance - Beginning			<u>137,120</u>
Fund Balance - Ending			<u>175,771</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #4 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 166,600	166,600	545,398
Investment Income	250	250	246
Total Revenues	<u>166,850</u>	<u>166,850</u>	<u>545,644</u>
Expenditures			
Community Development			
Contractual Services	31,000	31,000	10,750
Capital Outlay	50,000	50,000	—
Total Expenditures	<u>81,000</u>	<u>81,000</u>	<u>10,750</u>
Net Change in Fund Balance	<u>85,850</u>	<u>85,850</u>	534,894
Fund Balance - Beginning			<u>402,982</u>
Fund Balance - Ending			<u>937,876</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Tax Increment Financing #5 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 70,000	70,000	247,882
Investment Income	100	100	71
Total Revenues	<u>70,100</u>	<u>70,100</u>	<u>247,953</u>
Expenditures			
Community Development			
Contractual Services	20,000	20,000	2,781
Capital Outlay	30,000	30,000	—
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>2,781</u>
Net Change in Fund Balance	<u>20,100</u>	<u>20,100</u>	245,172
Fund Balance - Beginning			<u>33,689</u>
Fund Balance - Ending			<u>278,861</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #3 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 18,037	18,037	18,591
Investment Income	500	500	16
Total Revenues	<u>18,537</u>	<u>18,537</u>	<u>18,607</u>
Expenditures			
Community Development			
Contractual Services	20,771	20,771	19,850
Capital Outlay	7,000	27,000	22,317
Total Expenditures	<u>27,771</u>	<u>47,771</u>	<u>42,167</u>
Net Change in Fund Balance	<u>(9,234)</u>	<u>(29,234)</u>	(23,560)
Fund Balance - Beginning			<u>40,469</u>
Fund Balance - Ending			<u><u>16,909</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #4 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 21,272	21,272	21,914
Investment Income	500	500	13
Total Revenues	<u>21,772</u>	<u>21,772</u>	<u>21,927</u>
Expenditures			
Community Development			
Contractual Services	31,673	31,673	27,233
Capital Outlay	9,000	9,000	4,714
Total Expenditures	<u>40,673</u>	<u>40,673</u>	<u>31,947</u>
Net Change in Fund Balance	<u>(18,901)</u>	<u>(18,901)</u>	(10,020)
Fund Balance - Beginning			<u>36,325</u>
Fund Balance - Ending			<u><u>26,305</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Special Service Area #5 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 179,635	179,635	181,831
Investment Income	1,200	1,200	116
Total Revenues	<u>180,835</u>	<u>180,835</u>	<u>181,947</u>
Expenditures			
Community Development			
Contractual Services	<u>343,000</u>	<u>343,000</u>	<u>127,287</u>
Net Change in Fund Balance	<u>(162,165)</u>	<u>(162,165)</u>	54,660
Fund Balance - Beginning			<u>251,608</u>
Fund Balance - Ending			<u><u>306,268</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Obligation Bond Series of 2020 - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,436,800	1,436,800	1,447,361
Investment Income	2,000	2,000	337
Total Revenues	<u>1,438,800</u>	<u>1,438,800</u>	<u>1,447,698</u>
Expenditures			
General Government			
Contractual Services	2,000	2,000	400
Debt Service			
Principal Retirement	970,000	970,000	970,000
Interest and Fiscal Charges	466,800	466,800	466,800
Total Expenditures	<u>1,438,800</u>	<u>1,438,800</u>	<u>1,437,200</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	10,498
Fund Balance - Beginning			<u>485,633</u>
Fund Balance - Ending			<u><u>496,131</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds
Combining Balance Sheet
December 31, 2021

	Special Service Area #6	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 90,320	1,524,266	1,614,586
Receivables - Net of Allowances Accounts	—	925	925
Total Assets	90,320	1,525,191	1,615,511
LIABILITIES			
Accounts Payable	—	312,844	312,844
FUND BALANCES			
Restricted	90,320	—	90,320
Assigned	—	1,212,347	1,212,347
Total Fund Balances	90,320	1,212,347	1,302,667
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	90,320	1,525,191	1,615,511

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Year Ended December 31, 2021

	Special Service Area #6	Capital Projects	Totals
Revenues			
Taxes	\$ 382	—	382
Investment Income	33	502	535
Miscellaneous	—	230	230
Total Revenues	415	732	1,147
Expenditures			
Capital Outlay	—	752,487	752,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	415	(751,755)	(751,340)
Other Financing Sources			
Transfers In	—	708,382	708,382
Net Change in Fund Balances	415	(43,373)	(42,958)
Fund Balances - Beginning	89,905	1,255,720	1,345,625
Fund Balances - Ending	90,320	1,212,347	1,302,667

VILLAGE OF HANOVER PARK, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
State Grants	\$ 600,000	600,000	—
Investment Income	5,000	5,000	502
Miscellaneous	—	—	230
Total Revenues	<u>605,000</u>	<u>605,000</u>	<u>732</u>
Expenditures			
Capital Outlay	<u>2,093,885</u>	<u>2,113,065</u>	<u>752,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,488,885)	(1,508,065)	(751,755)
Other Financing Sources			
Transfers In	<u>708,382</u>	<u>708,382</u>	<u>708,382</u>
Net Change in Fund Balance	<u>(780,503)</u>	<u>(799,683)</u>	<u>(43,373)</u>
Fund Balance - Beginning			<u>1,255,720</u>
Fund Balance - Ending			<u><u>1,212,347</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Water Sales	\$ 6,551,100	6,551,100	6,848,785
Sewer Service	2,560,020	2,560,020	2,696,763
Leachate Treatment	415,000	415,000	183,879
Penalties	276,000	276,000	304,159
Tap-On-Fees	51,808	51,808	103,813
Meter Sales	5,376	5,376	18,755
Miscellaneous	42,750	42,750	30,940
Total Operating Revenues	<u>9,902,054</u>	<u>9,902,054</u>	<u>10,187,094</u>
Operating Expenses			
Administration	2,330,928	2,330,928	1,820,448
Operations			
Water Treatment	5,708,395	5,711,077	5,753,898
Water Maintenance	2,932,967	2,932,967	415,060
Water Meter Operations	5,070,010	5,070,010	3,616,301
Sewage Treatment	1,408,203	1,408,203	1,185,953
Sewer Maintenance	1,117,791	1,117,791	464,045
Depreciation and Amortization	—	—	1,011,769
Total Operating Expenses	<u>18,568,294</u>	<u>18,570,976</u>	<u>14,267,474</u>
Operating (Loss)	<u>(8,666,240)</u>	<u>(8,668,922)</u>	<u>(4,080,380)</u>
Nonoperating Revenues			
Infrastructure Charge	1,571,400	1,571,400	1,574,261
State Grants	2,000,000	2,000,000	—
Federal Grants	—	—	2,546,552
Investment Income	125,000	125,000	7,387
	<u>3,696,400</u>	<u>3,696,400</u>	<u>4,128,200</u>
Change in Net Position	<u>(4,969,840)</u>	<u>(4,972,522)</u>	47,820
Net Position - Beginning			<u>31,593,765</u>
Net Position - Ending			<u>31,641,585</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund
Schedule of Operating Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Administration			
Personal Services	1,452,608	1,452,608	1,323,472
Commodities	4,384	4,384	4,818
Contractual Services	873,936	873,936	492,158
Total Administration	2,330,928	2,330,928	1,820,448
Operations			
Water Treatment			
Personal Services	378,779	378,779	371,614
Commodities	15,189	15,189	12,211
Contractual Services	5,299,427	5,302,109	5,370,073
Contractual Services	15,000	15,000	—
	5,708,395	5,711,077	5,753,898
Water Maintenance			
Personal Services	352,118	352,118	196,438
Commodities	66,170	66,170	95,934
Contractual Services	214,679	214,679	197,779
Capital Outlay	2,300,000	2,300,000	(75,091)
	2,932,967	2,932,967	415,060
Water Meter Operations			
Personal Services	106,279	106,279	51,362
Commodities	25,328	25,328	25,381
Contractual Services	38,403	38,403	34,986
Capital Outlay	4,900,000	4,900,000	3,504,572
	5,070,010	5,070,010	3,616,301
Sewage Treatment			
Personal Services	697,034	697,034	528,956
Commodities	86,481	86,481	84,953
Contractual Services	547,688	547,688	543,157
Capital Outlay	77,000	77,000	28,887
	1,408,203	1,408,203	1,185,953

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund
Schedule of Operating Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Operations - Continued			
Sewer Maintenance			
Personal Services	\$ 308,042	308,042	205,502
Commodities	25,500	25,500	35,011
Contractual Services	179,249	179,249	179,197
Capital Outlay	605,000	605,000	44,335
	<u>1,117,791</u>	<u>1,117,791</u>	<u>464,045</u>
 Total Operations	 <u>16,237,366</u>	 <u>16,240,048</u>	 <u>11,435,257</u>
 Depreciation and Amortization	 <u>—</u>	 <u>—</u>	 <u>1,011,769</u>
 Total Expenditures	 <u>18,568,294</u>	 <u>18,570,976</u>	 <u>14,267,474</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Municipal Railroad Parking Lot - Enterprise Fund

Combining Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Parking Fees	\$ 369,390	369,390	56,474
Other	2,400	302,400	—
Total Operating Revenues	<u>371,790</u>	<u>671,790</u>	<u>56,474</u>
Operating Expenses			
Operations			
Personal Services	186,156	186,156	155,580
Commodities	5,794	5,794	4,716
Contractual Services	103,498	103,498	76,958
Capital Outlay	1,300,000	1,300,000	23,527
Depreciation	—	—	78,586
Total Operating Expenses	<u>1,595,448</u>	<u>1,595,448</u>	<u>339,367</u>
Operating (Loss)	<u>(1,223,658)</u>	<u>(923,658)</u>	<u>(282,893)</u>
Nonoperating Revenues			
State Grants	1,300,000	1,300,000	—
Investment Income	2,500	2,500	—
	<u>1,302,500</u>	<u>1,302,500</u>	<u>—</u>
Change in Net Position	<u>78,842</u>	<u>378,842</u>	<u>(282,893)</u>
Net Position - Beginning			<u>2,528,193</u>
Net Position - Ending			<u>2,245,300</u>

VILLAGE OF HANOVER PARK, ILLINOIS**Internal Service Funds****Combining Statement of Net Position****December 31, 2021**

	Central Equipment	IT Equipment Replacement	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 6,371,014	1,284,053	7,655,067
Prepays	—	2,669	2,669
Total Current Assets	<u>6,371,014</u>	<u>1,286,722</u>	<u>7,657,736</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	728,728	—	728,728
Depreciable	12,038,197	171,314	12,209,511
Accumulated Depreciation	<u>(7,074,053)</u>	<u>(39,973)</u>	<u>(7,114,026)</u>
Total Capital Assets	<u>5,692,872</u>	<u>131,341</u>	<u>5,824,213</u>
Total Assets	<u>12,063,886</u>	<u>1,418,063</u>	<u>13,481,949</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>129,252</u>	<u>42,881</u>	<u>172,133</u>
NET POSITION			
Investment in Capital Assets	5,692,872	131,341	5,824,213
Unrestricted	<u>6,241,762</u>	<u>1,243,841</u>	<u>7,485,603</u>
Total Net Position	<u>11,934,634</u>	<u>1,375,182</u>	<u>13,309,816</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2021

	Central Equipment	IT Equipment Replacement	Totals
Operating Revenues			
Interfund Services	\$ 1,319,820	514,470	1,834,290
Operating Expenses			
Operations	35,981	136,961	172,942
Depreciation	982,807	11,421	994,228
Total Operating Expenses	1,018,788	148,382	1,167,170
Operating Income	301,032	366,088	667,120
Nonoperating Revenues			
Investment Income	54,378	3,802	58,180
Income Before Transfers	355,410	369,890	725,300
Transfers In	—	40,000	40,000
Change in Net Position	355,410	409,890	765,300
Net Position - Beginning	11,579,224	965,292	12,544,516
Net Position - Ending	11,934,634	1,375,182	13,309,816

VILLAGE OF HANOVER PARK, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2021

	Central Equipment	IT Equipment Replacement	Totals
Cash Flows from Operating Activities			
Interfund Services Provided	\$ 1,319,823	530,485	1,850,308
Payments to Suppliers	(73,787)	(102,566)	(176,353)
	<u>1,246,036</u>	<u>427,919</u>	<u>1,673,955</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	—	40,000	40,000
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(1,184,867)	—	(1,184,867)
Cash Flows from Investing Activities			
Investment Income	54,378	3,802	58,180
Net Change in Cash and Cash Equivalents	115,547	471,721	587,268
Cash and Cash Equivalents - Beginning	6,255,467	812,332	7,067,799
Cash and Cash Equivalents - Ending	<u>6,371,014</u>	<u>1,284,053</u>	<u>7,655,067</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	301,032	366,088	667,120
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	982,807	11,421	994,228
(Increase) Decrease in Current Assets	3	16,015	16,018
Increase (Decrease) in Current Liabilities	(37,806)	34,395	(3,411)
Net Cash Provided by Operating Activities	<u>1,246,036</u>	<u>427,919</u>	<u>1,673,955</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Central Equipment - Internal Service Fund

Combining Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 1,319,820	1,319,820	1,319,820
Operating Expenses			
Operations			
Capital Outlay	1,467,700	1,478,740	35,981
Depreciation	955,000	955,000	982,807
Total Operating Expenses	<u>2,422,700</u>	<u>2,433,740</u>	<u>1,018,788</u>
Operating Income (Loss)	(1,102,880)	(1,113,920)	301,032
Nonoperating Revenues			
Investment Income	50,000	50,000	54,378
Change in Net Position	<u>(1,052,880)</u>	<u>(1,063,920)</u>	355,410
Net Position - Beginning			<u>11,579,224</u>
Net Position - Ending			<u><u>11,934,634</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

IT Equipment Replacement - Internal Service Fund

Combining Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 514,470	514,470	514,470
Operating Expenses			
Operations			
Capital Outlay	354,900	354,900	136,961
Depreciation and Amortization	—	—	11,421
Total Operating Expenses	354,900	354,900	148,382
Operating Income	159,570	159,570	366,088
Nonoperating Revenues			
Investment Income	3,000	3,000	3,802
Income Before Transfers	162,570	162,570	369,890
Transfers In	40,000	40,000	40,000
Change in Net Position	202,570	202,570	369,890
Net Position - Beginning			965,292
Net Position - Ending			1,335,182

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2021

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,999,758	1,198,539	3,198,297
Investments			
U.S. Agencies	10,451,282	5,716,608	16,167,890
Corporate Bonds	4,015,913	2,365,844	6,381,757
Mutual Funds	28,899,158	18,390,140	47,289,298
Receivables - Net of Allowance			
Accrued Interest	80,490	45,216	125,706
Prepays	3,831	619	4,450
Total Assets	45,450,432	27,716,966	73,167,398
LIABILITIES			
Accounts Payable	15,687	10,882	26,569
NET POSITION			
Net Position Restricted for Pensions	45,434,745	27,706,084	73,140,829

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2021

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,481,268	2,045,357	5,526,625
Contributions - Plan Members	529,397	347,350	876,747
Other	53,061	41,076	94,137
Total Contributions	<u>4,063,726</u>	<u>2,433,783</u>	<u>6,497,509</u>
Investment Income			
Interest Earned	1,714,910	1,081,802	2,796,712
Net Change in Fair Value	4,003,924	2,400,689	6,404,613
	<u>5,718,834</u>	<u>3,482,491</u>	<u>9,201,325</u>
Less Investment Expenses	(66,656)	(39,829)	(106,485)
Net Investment Income	<u>5,652,178</u>	<u>3,442,662</u>	<u>9,094,840</u>
Total Additions	<u>9,715,904</u>	<u>5,876,445</u>	<u>15,592,349</u>
Deductions			
Benefits and Refunds	3,674,708	1,776,440	5,451,148
Administration	63,547	73,909	137,456
Total Deductions	<u>3,738,255</u>	<u>1,850,349</u>	<u>5,588,604</u>
Change in Fiduciary Net Position	5,977,649	4,026,096	10,003,745
Net Position Restricted for Pensions			
Beginning	<u>39,457,096</u>	<u>23,679,988</u>	<u>63,137,084</u>
Ending	<u>45,434,745</u>	<u>27,706,084</u>	<u>73,140,829</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ —	—	3,481,268
Contributions - Plan Members	—	—	529,397
Other	—	—	53,061
Total Contributions	—	—	4,063,726
Investment Income			
Interest Earned	—	—	1,714,910
Net Change in Fair Value	—	—	4,003,924
	—	—	5,718,834
Less Investment Expenses	(60,000)	(60,000)	(66,656)
Net Investment Income	(60,000)	(60,000)	5,652,178
Total Additions	(60,000)	(60,000)	9,715,904
Deductions			
Benefits and Refunds	3,424,916	3,424,916	3,674,708
Administration	66,075	66,075	63,547
Total Deductions	3,490,991	3,490,991	3,738,255
Change in Fiduciary Net Position	<u>(3,550,991)</u>	<u>(3,550,991)</u>	5,977,649
Net Position Restricted for Pensions			
Beginning			<u>39,457,096</u>
Ending			<u>45,434,745</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ —	—	2,045,357
Contributions - Plan Members	—	—	347,350
Other	—	—	41,076
Total Contributions	—	—	2,433,783
Investment Income			
Interest Earned	—	—	1,081,802
Net Change in Fair Value	—	—	2,400,689
	—	—	3,482,491
Less Investment Expenses	—	—	(39,829)
Net Investment Income	—	—	3,442,662
Total Additions	—	—	5,876,445
Deductions			
Benefits and Refunds	1,774,400	1,774,400	1,776,440
Administration	94,825	94,825	73,909
Total Deductions	1,869,225	1,869,225	1,850,349
Change in Fiduciary Net Position	(1,869,225)	(1,869,225)	4,026,096
Net Position Restricted for Pensions			
Beginning			23,679,988
Ending			27,706,084

VILLAGE OF HANOVER PARK, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2021**

CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement Program	\$ 3,190	—	—	3,190
494-00-1488	Motor Fuel Tax	2,190,455	—	—	2,190,455
494-00-2356	Local Rebuild Illinois Bond Program	834,190	—	—	834,190
	Other Grant Programs and Activities	—	2,748,917	8,176	2,757,093
	All Other Costs Not Allocated	—	—	49,763,011	49,763,011
	Totals	3,027,835	2,748,917	49,771,187	55,547,939



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

June 23, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 23, 2022. Our report includes a reference to other auditors who audited the financial statements of Hanover Square, as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULE

VILLAGE OF HANOVER PARK, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2020
December 31, 2021**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal			
Year	Principal	Interest	Totals
2022	\$ 1,010,000	428,000	1,438,000
2023	1,050,000	387,600	1,437,600
2024	1,095,000	345,600	1,440,600
2025	1,135,000	301,800	1,436,800
2026	1,185,000	256,400	1,441,400
2027	1,230,000	209,000	1,439,000
2028	1,280,000	159,800	1,439,800
2029	1,330,000	108,600	1,438,600
2030	1,385,000	55,400	1,440,400
	<u>10,700,000</u>	<u>2,252,200</u>	<u>12,952,200</u>

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive 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.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF HANOVER PARK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years

December 31, 2021 (Unaudited)

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2021 (Unaudited)

	4/30/2013	4/30/2014	12/31/2014 (1)	12/31/2015 (2)
Governmental Activities				
Net Investment in Capital Assets	\$ 48,546,851	48,743,363	49,462,602	50,362,373
Restricted	4,829,701	5,294,935	4,835,944	6,932,172
Unrestricted (Deficit)	11,779,582	14,654,715	17,292,137	(14,151,561)
Total Governmental Activities Net Position	65,156,134	68,693,013	71,590,683	43,142,984
Business-Type Activities				
Net Investment in Capital Assets	27,371,016	26,941,735	28,088,831	23,651,515
Unrestricted	7,296,568	8,581,691	8,965,544	8,534,548
Total Business-Type Activities Net Position	34,667,584	35,523,426	37,054,375	32,186,063
Primary Government				
Net Investment in Capital Assets	75,917,867	75,685,098	77,551,433	74,013,888
Restricted	4,829,701	5,294,935	4,835,944	6,932,172
Unrestricted (Deficit)	19,076,150	23,236,406	26,257,681	(5,617,013)
Total Primary Government Net Position	99,823,718	104,216,439	108,645,058	75,329,047

Data Source: Audited Financial Statements

***Accrual Basis of Accounting**

(1) The Village changed its fiscal year from April 30 to December 31 effective December 31, 2014.

(2) The Village implemented GASB 68 for year ended December 31, 2015.

(3) The Village implemented GASB 75 for year ended December 31, 2018.

12/31/2016	12/31/2016	12/31/2018 (3)	12/31/2019	12/31/2020	12/31/2021
52,470,477	53,331,685	56,319,828	59,646,563	64,256,664	65,186,567
7,366,374	8,097,770	9,354,849	11,225,970	11,030,353	14,358,584
(14,420,304)	(14,243,345)	(17,856,992)	(13,530,269)	(7,402,325)	3,864,932
45,416,547	47,186,110	47,817,685	57,342,264	67,884,692	83,410,083
23,578,647	23,575,332	23,868,701	23,624,289	24,261,288	23,512,012
8,846,752	8,984,517	8,967,072	9,797,313	9,860,670	10,374,873
32,425,399	32,559,849	32,835,773	33,421,602	34,121,958	33,886,885
76,049,124	76,907,017	80,188,529	83,270,852	88,517,952	88,698,579
7,366,374	8,097,770	9,354,849	11,225,970	11,030,353	14,358,584
(5,573,552)	(5,258,828)	(8,889,920)	(3,732,956)	2,458,345	14,239,805
77,841,946	79,745,959	80,653,458	90,763,866	102,006,650	117,296,968

VILLAGE OF HANOVER PARK, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
December 31, 2021 (Unaudited)**

	4/30/2013	4/30/2014	12/31/2014 (1)	12/31/2015 (2)	12/31/2016	12/31/2017	12/31/2018 (3)	12/31/2019	12/31/2020	12/31/2021
Primary Governmental Expenses										
Governmental Activities										
General Government	\$ 4,988,649	4,297,802	2,111,972	4,114,698	5,009,322	5,760,254	4,502,681	5,296,307	5,796,773	3,094,879
Public Works	4,070,954	4,211,656	2,876,529	3,706,168	5,182,283	6,368,070	5,015,307	5,533,768	4,396,004	4,299,445
Public Safety	18,014,749	18,224,677	12,928,235	19,447,414	20,981,314	21,225,292	23,825,108	23,384,681	22,301,152	22,264,675
Community Development	711,260	681,395	1,858,421	4,022,556	4,005,981	3,618,986	4,193,206	4,082,104	5,149,348	7,122,168
Highway and Streets	3,946,982	3,522,824	2,276,624	1,917,673	703,424	866,856	591,102	700,207	881,961	3,845,558
Interest	1,054,210	1,076,381	976,489	646,489	925,399	894,677	858,826	819,786	323,799	314,373
Total Governmental Activities Expenses	32,786,804	32,014,735	23,028,270	33,854,998	36,807,723	38,734,135	38,986,230	39,816,853	38,849,037	40,941,098
Business-Type Activities										
Water and Sewer	8,976,177	9,998,473	7,265,389	11,338,126	11,669,151	12,302,852	11,535,226	11,262,405	11,129,895	14,267,474
Parking	280,836	387,584	202,907	373,475	380,323	341,781	336,950	390,377	340,495	339,367
Hanover Square	694,736	694,530	524,861	593,909	—	—	—	—	—	—
Total Business-Type Activities Expenses	9,951,749	11,080,587	7,993,157	12,305,510	12,049,474	12,644,633	11,872,176	11,652,782	11,470,390	14,606,841
Total Primary Government Expenses	42,738,553	43,095,322	31,021,427	46,160,508	48,857,197	51,378,768	50,858,406	51,469,635	50,319,427	55,547,939
Primary Government Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,157,752	1,212,828	769,081	1,125,855	1,315,662	1,322,448	1,330,699	1,478,753	1,238,169	1,327,770
Public Safety	2,045,438	1,989,029	1,286,735	1,894,715	2,043,407	2,113,433	2,540,205	2,561,575	2,362,402	548,628
Community Development	22,493	61,714	42,531	18,758	11,794	16,181	68,644	3,849,912	173,563	2,602,346
Public Works	150,684	245,355	193,819	337,246	283,057	327,493	330,295	335,096	246,916	153,353
Operating Grants and Contributions	1,228,338	1,343,393	1,082,681	1,600,902	1,267,251	1,522,434	1,946,078	1,831,037	3,757,088	57,000
Capital Grants and Contributions	318,006	266,197	—	258,796	255,138	247,958	—	—	—	2,824,321
Total Governmental Activities Program Revenues	4,922,711	5,118,516	3,374,847	5,236,272	5,176,309	5,549,947	6,215,921	10,056,373	7,778,138	7,513,418
Business-Type Activities										
Charges for Services										
Water and Sewer	10,210,092	11,077,306	7,089,864	10,749,484	10,615,438	10,577,058	10,382,911	10,172,855	10,356,322	10,187,094
Parking	317,446	371,185	265,895	389,405	443,695	393,290	432,160	400,871	183,141	56,474
Hanover Square	669,670	710,703	560,678	643,541	—	—	—	—	—	—
Grants and Contributions	688,932	180,126	—	—	—	—	—	—	—	2,546,552
Total Business-Type Activities Program Revenues	11,886,140	12,339,320	7,916,437	11,782,430	11,059,133	10,970,348	10,815,071	10,573,726	10,539,463	12,790,120
Total Primary Government Program Revenues	16,808,851	17,457,836	11,291,284	17,018,702	16,235,442	16,520,295	17,030,992	20,630,099	18,317,601	20,303,538

	4/30/2013	4/30/2014	12/31/2014 (1)	12/31/2015 (2)	12/31/2016	12/31/2017	12/31/2018 (3)	12/31/2019	12/31/2020	12/31/2021
Net (Expenses) Revenues										
Governmental Activities	\$ (27,864,093)	(26,896,219)	(19,653,423)	(28,618,726)	(31,631,414)	(33,184,188)	(32,770,309)	(29,760,480)	(31,070,899)	(33,427,680)
Business-Type Activities	1,934,391	1,258,733	(76,720)	(523,080)	(990,341)	(1,674,285)	(1,057,105)	(1,079,056)	(930,927)	(1,816,721)
	<u>(25,929,702)</u>	<u>(25,637,486)</u>	<u>(19,730,143)</u>	<u>(29,141,806)</u>	<u>(32,621,755)</u>	<u>(34,858,473)</u>	<u>(33,827,414)</u>	<u>(30,839,536)</u>	<u>(32,001,826)</u>	<u>(35,244,401)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	13,110,176	13,729,431	11,423,311	15,426,633	15,837,755	15,741,338	15,673,297	16,811,936	16,203,849	16,506,192
Home Rule Sales Tax	2,059,366	3,217,418	2,524,471	3,689,384	3,851,280	4,197,024	4,481,756	4,753,609	6,038,100	9,443,282
Utility	1,621,854	1,588,171	1,219,601	1,987,557	1,896,000	1,788,223	1,997,184	1,854,237	1,740,974	1,688,896
Other Taxes	1,280,526	1,382,369	1,190,789	1,712,797	2,110,440	1,790,427	2,100,771	2,178,732	2,203,104	2,802,177
Intergovernmental										
Sales Tax	4,729,737	5,361,445	3,723,115	5,641,105	5,911,386	6,395,188	6,757,407	7,189,023	8,976,875	11,395,783
Use Tax	605,067	669,932	545,220	844,592	922,304	982,230	1,115,475	1,281,271	1,695,618	1,448,845
State Income Tax	3,422,147	3,700,323	2,335,241	4,040,449	3,696,445	3,487,788	3,636,525	4,041,810	4,126,485	5,012,020
Other Intergovernmental	82,765	94,867	51,945	93,510	87,160	101,644	84,998	101,684	93,807	235,858
Investment Income	106,443	153,820	58,063	61,070	89,607	198,840	575,434	763,849	232,320	79,484
Miscellaneous	99,397	113,527	215,566	(1,571,337)	282,508	412,898	301,930	257,683	278,795	340,534
Transfers	315,418	421,795	(1,010,515)	4,404,281	76,000	(141,849)	—	—	23,400	—
Total Governmental Activities	<u>27,432,896</u>	<u>30,433,098</u>	<u>22,276,807</u>	<u>36,330,041</u>	<u>34,760,885</u>	<u>34,953,751</u>	<u>36,724,777</u>	<u>39,233,834</u>	<u>41,613,327</u>	<u>48,953,071</u>
Business-Type Activities										
Investment Income	10,825	8,476	11,102	(202)	12,081	73,199	180,893	257,078	80,269	7,387
Miscellaneous	52,231	10,428	586,052	1,546,822	1,350,513	1,593,687	1,572,459	1,574,689	1,574,414	1,574,261
Transfers	(315,418)	(421,795)	1,010,515	(4,404,281)	(76,000)	141,849	—	—	(23,400)	—
Total Business-Type Activities	<u>(252,362)</u>	<u>(402,891)</u>	<u>1,607,669</u>	<u>(2,857,661)</u>	<u>1,286,594</u>	<u>1,808,735</u>	<u>1,753,352</u>	<u>1,831,767</u>	<u>1,631,283</u>	<u>1,581,648</u>
Total Primary Government	<u>27,180,534</u>	<u>30,030,207</u>	<u>23,884,476</u>	<u>33,472,380</u>	<u>36,047,479</u>	<u>36,762,486</u>	<u>38,478,129</u>	<u>41,065,601</u>	<u>43,244,610</u>	<u>50,534,719</u>
Changes in Net Position										
Governmental Activities	(431,197)	3,536,879	2,623,384	7,711,315	3,129,471	1,769,563	3,954,468	9,473,354	10,542,428	15,525,391
Business-Type Activities	1,682,029	855,842	1,530,949	(3,380,741)	296,253	134,450	696,247	752,711	700,356	(235,073)
Total Primary Government Changes in Net Position	<u>1,250,832</u>	<u>4,392,721</u>	<u>4,154,333</u>	<u>4,330,574</u>	<u>3,425,724</u>	<u>1,904,013</u>	<u>4,650,715</u>	<u>10,226,065</u>	<u>11,242,784</u>	<u>15,290,318</u>

Data Source: Audited Financial Statements

*Accrual Basis of Accounting

(1) The Village changed its fiscal year from April 30 to December 31 effective December 31, 2014.

(2) The Village implemented GASB 68 for year ended December 31, 2015.

(3) The Village implemented GASB 75 for year ended December 31, 2018.

VILLAGE OF HANOVER PARK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*

December 31, 2021 (Unaudited)

	4/30/2013	4/30/2014	12/31/2014**	12/31/2015
General Fund				
Nondisposable	\$ 1,561,197	1,114,638	556,466	294,419
Restricted	134,910	134,910	—	—
Unassigned	8,473,882	11,611,884	14,180,226	16,326,081
Total General Fund	10,169,989	12,861,432	14,736,692	16,620,500
All Other Governmental Funds				
Nondisposable	—	—	—	—
Restricted	4,694,791	5,160,025	4,835,944	6,932,172
Assigned	273,045	124,603	373,202	845,601
Unassigned (Deficit)	(304,265)	(438,081)	(484,093)	(461,479)
Total All Other Governmental Funds	4,663,571	4,846,547	4,725,053	7,316,294
Total Governmental Funds	14,833,560	17,707,979	19,461,745	23,936,794

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
381,659	324,481	293,222	192,354	29,449	33,231
—	—	—	—	—	—
19,432,402	21,124,648	22,115,466	23,391,983	28,830,428	37,759,623
19,814,061	21,449,129	22,408,688	23,584,337	28,859,877	37,792,854
—	8,099	—	—	—	—
7,366,374	8,097,770	9,354,849	11,225,970	11,030,353	14,394,251
925,390	1,465,047	793,723	1,039,084	1,255,720	1,212,347
(363,202)	(234,789)	(156,190)	(88,402)	—	—
7,928,562	9,336,127	9,992,382	12,176,652	12,286,073	15,606,598
27,742,623	30,785,256	32,401,070	35,760,989	41,145,950	53,399,452

VILLAGE OF HANOVER PARK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2021 (Unaudited)

	4/30/2013	4/30/2014	12/31/2014**
Revenues			
Taxes	\$ 18,071,922	19,917,388	16,358,172
Intergovernmental	10,320,730	11,411,435	7,968,269
Licenses and Permits	979,424	1,138,365	718,779
Charges for Services and Fees	1,720,380	1,764,636	1,036,818
Fines and Forfeitures	660,603	590,966	536,820
Investment Income	106,443	153,820	58,063
Miscellaneous	180,687	153,209	176,651
Total Revenues	32,040,189	35,129,819	26,853,572
Expenditures			
General Government	4,923,925	5,247,701	2,483,520
Public Works	3,888,126	3,494,643	2,644,628
Public Safety	17,388,396	17,837,161	13,027,697
Community Development	968,226	660,326	1,879,756
Highways and Streets	752,272	796,373	427,967
Capital Outlay	3,188,327	2,745,856	2,982,751
Debt Service			
Principal	730,000	810,000	875,000
Interest and Fiscal Charges	1,073,606	1,085,135	986,620
Total Expenditures	32,912,878	32,677,195	25,307,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(872,689)	2,452,624	1,545,633
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Premiums on Bond Issuance	—	—	—
Payment to Escrow Agent	—	—	—
Transfers In	1,198,605	1,444,301	1,408,526
Transfers Out	(883,187)	(1,022,506)	(1,283,276)
Sale of Property	—	—	82,883
	315,418	421,795	208,133
Net Change in Fund Balances	(557,271)	2,874,419	1,753,766
Debt Service as a Percentage of Noncapital Expenditures	25.28%	6.05%	7.51%

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

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

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
22,816,370	23,695,474	23,517,011	24,253,008	25,598,513	26,186,026	30,440,547
12,436,273	11,898,609	12,420,236	13,248,330	14,235,104	18,539,007	20,916,827
1,224,977	1,168,407	1,267,962	1,279,465	1,294,601	1,143,061	1,470,518
1,451,562	1,719,499	1,603,708	1,880,744	1,986,105	1,698,259	2,218,944
700,467	766,115	907,692	1,109,612	1,160,816	1,061,886	999,635
61,070	89,607	198,840	575,434	763,849	232,320	21,304
441,974	523,483	730,098	594,105	467,427	389,613	340,534
39,132,693	39,861,194	40,645,547	42,940,698	45,506,415	49,250,172	56,408,309
3,344,230	3,671,745	3,946,578	4,287,169	4,468,215	5,214,787	4,604,107
3,962,391	3,874,431	3,981,239	4,237,892	4,296,111	4,018,408	4,299,445
19,322,453	19,551,407	20,500,538	21,372,010	21,740,295	21,719,698	22,715,333
4,003,728	3,574,079	3,536,293	4,232,128	3,762,696	5,042,370	6,489,435
628,804	728,074	885,352	619,997	739,471	910,523	753,511
1,318,476	2,817,230	2,923,902	4,812,292	5,024,317	5,197,456	3,816,176
945,000	985,000	1,030,000	1,050,000	1,070,000	1,310,000	970,000
957,562	929,399	899,012	863,396	824,691	498,842	466,800
34,482,644	36,131,365	37,702,914	41,474,884	41,925,796	43,912,084	44,114,807
4,650,049	3,729,829	2,942,633	1,465,814	3,580,619	5,338,088	12,293,502
—	—	—	—	—	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	2,138,382
(1,605,802)	(1,197,396)	(2,078,155)	(2,190,805)	(3,169,342)	(1,728,375)	(2,178,382)
—	—	—	150,000	—	—	—
(175,000)	76,000	100,000	150,000	(220,700)	46,873	(40,000)
4,475,049	3,805,829	3,042,633	1,615,814	3,359,919	5,384,961	12,253,502
5.82%	5.99%	5.99%	5.04%	4.97%	4.40%	3.46%

VILLAGE OF HANOVER PARK, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Cook County - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
2011	\$ 237,115,286	\$ 1,656	\$ 56,439,864	\$ 11,102,423
2012	217,980,488	1,656	55,520,023	7,096,304
2013	172,348,742	1,656	50,024,995	7,085,250
2014	178,053,406	2,948	55,059,521	—
2015	173,215,080	2,948	52,111,633	—
2016	207,382,952	2,948	54,022,230	—
2017	204,823,395	2,948	56,692,894	—
2018	200,296,460	2,948	55,213,759	—
2019	243,467,047	2,948	60,280,496	—
2020	240,170,906	2,948	61,186,458	—

Data Source: Office of the County Clerk and Treasurer

Total	Railroad	Total Taxable Assessed Value	Estimated Actual Taxable Value	Tax Rate
\$ 304,659,229	\$ —	\$ 304,659,229	\$ 913,977,687	1.5900
280,598,471	—	280,598,471	841,795,413	1.9390
229,460,643	—	229,460,643	688,381,929	2.6370
233,115,875	—	233,115,875	699,347,625	2.6870
225,329,661	—	225,329,661	675,988,983	2.8630
261,408,130	—	261,408,130	784,224,390	2.5129
261,519,237	—	261,519,237	784,557,711	2.4715
255,513,167	—	255,513,167	766,539,501	2.5445
303,750,491	—	303,750,491	911,251,473	2.1459
301,360,312	—	301,360,312	904,080,936	2.1425

VILLAGE OF HANOVER PARK, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - DuPage County - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
2011	\$ 297,482,660	\$ 25,920	\$ 20,775,950	\$ 72,968,610
2012	262,398,693	28,512	18,710,960	64,919,690
2013	234,486,782	31,364	17,528,130	60,863,810
2014	224,823,993	34,501	16,622,430	58,665,170
2015	220,471,689	37,195	16,870,870	63,099,260
2016	239,246,373	40,606	17,470,380	67,664,580
2017	259,873,936	68,256	19,057,860	69,672,030
2018	277,836,903	73,079	19,715,550	71,309,510
2019	314,404,213	78,374	20,242,910	74,462,770
2020	325,971,704	75,460	22,426,270	76,539,630

Data Source: Office of the County Clerk and Treasurer

Total	Railroad	Total Taxable Assessed Value	Estimated Actual Taxable Value	Tax Rate
\$ 391,253,140	\$ 23,933	\$ 391,277,073	\$ 1,173,831,219	1.7266
346,057,855	29,291	346,087,146	1,038,261,438	2.1327
312,910,086	31,070	312,941,156	938,823,468	2.3941
300,146,094	42,030	300,188,124	900,564,372	2.5856
300,479,014	45,643	300,524,657	901,573,971	2.7346
324,421,939	55,881	324,477,820	973,433,460	2.4410
348,672,082	45,345	348,717,427	1,046,152,281	2.3051
368,935,042	41,090	368,976,132	1,106,928,396	2.1702
409,188,267	39,166	409,227,433	1,227,682,299	1.9419
425,013,064	42,686	425,055,750	1,275,167,250	1.8999

VILLAGE OF HANOVER PARK, ILLINOIS

**Direct and Overlapping Property Tax Rates - Cook County - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

	2011	2012	2013
Village Direct Rates			
General Corporate Rate	1.3850	1.6860	2.3090
Police Pension	—	—	—
Fire Pension	—	—	—
Debt Service Rate	0.2050	0.2530	0.3280
Total Direct	<u>1.5900</u>	<u>1.9390</u>	<u>2.6370</u>
Overlapping Rates			
School District #46	5.5070	6.5400	7.5800
School District #509	0.4750	0.5460	0.6380
Hanover Park District	0.4420	0.5110	0.6290
County Including Forest Preserve District and TB Sanitarium	0.5450	0.5940	0.6290
Hanover Township	0.2870	0.3240	0.3910
Metropolitan Water Reclamation District	0.3200	0.3700	0.4170
Northwest Mosquito Abatement District	0.0100	0.0110	0.0130
Poplar Creek Library	0.4490	0.5150	0.6310
Community Mental Health	0.0440	0.0500	0.0610
Consolidated Elections	—	—	0.0310
Total Overlapping Rates	<u>8.0790</u>	<u>9.4610</u>	<u>11.0200</u>
 Total Tax Rates	 <u>9.6690</u>	 <u>11.4000</u>	 <u>13.6570</u>

Data Source: Cook County Clerk's Office

Notes: Overlapping rates are those of local and county governments that apply to property owners within the Village.

2014	2015	2016	2017	2018	2019	2020
2.3570	2.4750	1.5041	1.4128	1.4115	1.1272	1.0306
—	—	0.4212	0.4525	0.4973	0.4624	0.5531
—	—	0.2531	0.2794	0.3023	0.2776	0.3248
0.3300	0.3880	0.3345	0.3268	0.3334	0.2787	0.2340
2.6870	2.8630	2.5129	2.4715	2.5445	2.1459	2.1425
7.6680	7.9470	6.8370	6.9320	7.1200	6.4390	6.5750
0.6380	0.6540	0.5700	0.5620	0.6120	0.5440	0.5270
0.6240	0.6650	0.5970	0.5970	0.6280	0.5420	0.5600
0.6370	0.6210	0.5960	0.5580	0.5490	0.5130	0.5110
0.2980	0.3180	0.2750	0.2810	0.3840	0.3410	0.2760
0.4300	0.4260	0.4060	0.4020	0.3960	0.3890	0.3780
0.0130	0.0110	0.0100	0.0100	0.0110	0.0100	0.0100
0.6320	0.6630	0.5800	0.5900	0.6210	0.5460	0.5640
0.0610	0.0580	0.0570	0.0590	0.0630	0.0570	0.0590
—	0.0340	—	0.0310	—	0.0300	—
11.0010	11.3970	9.9280	10.0220	10.3840	9.4110	9.4600
13.6880	14.2600	12.4409	12.4935	12.9285	11.5569	11.6025

VILLAGE OF HANOVER PARK, ILLINOIS**Direct and Overlapping Property Tax Rates - DuPage County - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

	2011	2012	2013
Village Direct Rates			
General Corporate Rate	0.7209	0.9039	0.9991
Fire Protection	0.8068	0.9790	1.1292
Police Protection	—	—	—
Fire Pension	—	—	—
Debt Service Rate	0.1989	0.2498	0.2658
Total Direct	1.7266	2.1327	2.3941
Overlapping Rates			
School District #93	4.1112	4.6112	5.0165
School District #87	2.0199	2.2868	2.4877
Community College #502	0.2495	0.2681	0.2956
Hanover Park District	0.4554	0.5614	0.5673
County Including Forest Preserve District and Airport	0.3356	0.3639	0.3875
Wayne Township	0.1479	0.1626	0.1796
Poplar Creek Library	0.4553	0.5977	0.6249
Total Overlapping Rates	7.7748	8.8517	9.5591
Total Tax Rates	9.5014	10.9844	11.9532

Data Source: DuPage County Clerk's Office

Notes: Overlapping rates are those of local and county governments that apply to property owners within the Village.

2014	2015	2016	2017	2018	2019	2020
0.9836	0.9664	0.5699	0.4692	0.3819	0.2735	0.1689
1.3204	1.4449	0.9381	0.8951	0.8694	0.7910	0.7948
—	—	0.3676	0.3790	0.3802	0.3771	0.4383
—	—	0.2791	0.2933	0.2882	0.2774	0.3159
0.2816	0.3233	0.2863	0.2685	0.2505	0.2229	0.1820
2.5856	2.7346	2.4410	2.3051	2.1702	1.9419	1.8999
5.1272	5.0951	4.8165	4.6931	4.5643	4.5364	4.5597
2.5824	2.5173	2.4030	2.3402	2.2834	2.2296	2.2255
0.2975	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114
0.5834	0.6099	0.5606	0.5415	0.5194	0.4796	0.4762
0.3944	0.3781	0.3538	0.3221	0.3097	0.3038	0.2962
0.1880	0.1847	0.1759	0.1724	0.1704	0.0911	0.0904
0.6272	0.6601	0.5893	0.5725	0.5552	0.5023	0.4995
9.8001	9.7238	9.1617	8.8849	8.6341	8.3540	8.3589
12.3857	12.4584	11.6027	11.1900	10.8043	10.2959	10.2588

VILLAGE OF HANOVER PARK, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2021 (Unaudited)**

Taxpayer	2021			2012		
	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.	\$ 14,390,830	1	1.98%	\$ 14,440,370	1	2.07%
Menards	10,886,594	2	1.50%	2,949,740	8	0.42%
WestView LLC	8,559,201	3	1.18%	4,272,648	4	0.61%
MS Claremont LP - Symphony	6,256,619	4	0.86%			
Harvest A Fuji LLC	5,474,010	5	0.75%			
Fisher Scientific Company	4,671,580	6	0.64%	4,763,130	3	0.68%
Trans	3,952,110	7	0.54%	3,166,670	6	0.46%
GPT Hunter Road Owner LLC	3,084,800	8	0.42%			
National Shopping Plaza	2,898,771	9	0.40%			
Iron Mountain Info Mgmt	2,742,770	10	0.38%	2,586,670	9	0.37%
Cabot Properties				6,955,720	2	1.00%
Reality Associates Fund IX				3,359,050	5	0.48%
Buckhead Industrial Properties				2,953,170	7	0.42%
Greenbook Shopping Center				2,540,320	10	0.37%
Total	62,917,285		8.65%	47,987,488		6.88%

Data Source: Office of the Cook and DuPage County Clerk's.

VILLAGE OF HANOVER PARK, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Fiscal Year	Levy Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
4/30/13	2011	\$ 11,294,245	\$ 2,548,018	22.56%	\$ 8,275,778	\$ 10,823,796	95.83%
4/30/14	2012	11,718,824	2,478,683	21.15%	9,266,108	11,744,791	100.22%
12/31/2014*	2013	12,692,238	4,013,571	31.62%	7,372,791	11,386,362	89.71%
12/31/15	2014	13,249,064	13,110,424	98.95%	78,554	13,188,978	99.55%
12/31/16	2015	13,386,715	13,577,532	101.43%	16,177	13,593,709	101.55%
12/31/17	2016	13,386,715	13,475,667	100.66%	90,187	13,565,854	101.34%
12/31/18	2017	13,386,715	13,322,460	99.52%	101,691	13,424,151	100.28%
12/31/19	2018	13,386,715	13,403,723	100.13%	34,917	13,438,640	100.39%
12/31/20	2019	13,383,696	13,365,395	99.86%	—	13,365,395	99.86%
12/31/21	2020	13,572,927	13,443,752	99.05%	—	13,443,752	99.05%

Data Source: Village Records

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.

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

VILLAGE OF HANOVER PARK, ILLINOIS

**Sales Tax Collected by Category - Last Ten Calendar Years
December 31, 2021 (Unaudited)**

	2012	2013	2014	2015
General Merchandise	\$ —	—	12,127	—
Food	472,391	503,151	561,648	574,319
Drinking and Eating Places	278,890	284,229	273,975	303,626
Apparel	—	—	522	—
Furniture, HH and Radio	27,875	27,853	25,639	28,226
Lumber, Building, and Hardware	517,245	525,261	533,309	604,029
Automobile and Filling Stations	303,586	294,965	316,758	282,731
Drugs and Miscellaneous Retail	571,334	598,156	571,484	512,741
Agriculture and All Others	2,542,521	2,831,702	2,927,845	3,171,299
Manufacturers	29,239	69,661	77,973	138,599
Totals	4,743,081	5,134,978	5,301,280	5,615,570
Village Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Data Source: Illinois Department of Revenues

2016	2017	2018	2019	2020	2021
—	14,364	(18,810)	9,760	—	945
576,736	583,480	582,809	606,709	690,629	646,492
305,715	277,375	308,618	326,183	290,686	334,955
—	4,142	9,826	227	—	26,822
20,856	16,786	18,161	20,353	20,699	64,987
615,656	628,656	642,765	638,648	713,681	730,233
292,880	288,816	177,235	229,666	239,934	321,590
519,202	524,001	618,984	584,634	559,661	894,277
3,486,299	3,956,078	4,341,891	4,725,843	6,436,460	8,322,766
72,118	71,165	75,243	46,459	24,229	52,715
5,889,462	6,364,863	6,756,722	7,188,482	8,975,979	11,395,782
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

VILLAGE OF HANOVER PARK, ILLINOIS**Home Rule Taxable Sales by Category - Last Ten Calendar Years
December 31, 2021 (Unaudited)**

	2012	2013	2014	2015
General Merchandise	\$ —	—	7,561	—
Food	56,370	65,115	81,138	107,834
Drinking and Eating Places	133,067	168,674	195,334	215,732
Apparel	—	—	—	—
Furniture, HH and Radio	13,938	17,842	19,228	21,163
Lumber, Building, and Hardware	254,137	321,137	392,241	444,486
Automobile and Filling Stations	139,940	175,553	218,435	195,829
Drugs and Miscellaneous Retail	167,456	230,393	249,511	190,616
Agriculture and All Others	1,269,342	1,775,671	2,190,176	2,378,404
Manufacturers	14,061	43,212	57,674	91,765
Totals	2,048,311	2,797,597	3,411,298	3,645,829
Village Home Rule Sales Tax Rate	0.75%	0.75%	0.75%	0.75%

Data Source: Illinois Department of Revenues

2016	2017	2018	2019	2020	2021
—	9,282	(12,331)	6,080	—	825
116,472	123,923	127,167	125,720	130,777	181,301
217,608	198,415	222,819	237,864	217,062	295,095
—	3,093	7,367	170	—	25,290
15,643	12,583	13,615	15,265	15,516	60,505
453,347	463,134	473,570	469,685	524,697	627,400
198,978	197,843	117,780	152,325	155,483	247,906
186,821	178,906	253,395	228,438	206,367	535,419
2,592,831	2,958,260	3,251,305	3,535,375	4,822,572	7,490,612
53,339	52,671	55,703	33,968	892,623	44,444
3,835,039	4,198,110	4,510,390	4,804,890	6,965,097	9,508,797
0.75%	0.75%	0.75%	0.75%	0.75%	1.00%

VILLAGE OF HANOVER PARK, ILLINOIS

**Direct and Overlapping Sales Tax Rates Cook County - Last Ten Calendar Years
December 31, 2021 (Unaudited)**

Calendar Year	Village Direct Rate	Village Home Rule Rate	Regional Transportation Authority	County Direct Rate	County Home Rule Rate	State Rate	Total
2012	1.00%	0.75%	1.00%	0.25%	1.00%	5.00%	9.00%
2013	1.00%	0.75%	1.00%	0.25%	0.75%	5.00%	8.75%
2014	1.00%	0.75%	1.00%	0.25%	0.75%	5.00%	8.75%
2015	1.00%	0.75%	1.00%	0.25%	0.75%	5.00%	8.75%
2016	1.00%	0.75%	1.00%	0.25%	1.75%	5.00%	9.75%
2017	1.00%	0.75%	1.00%	0.25%	1.75%	5.00%	9.75%
2018	1.00%	0.75%	1.00%	0.25%	1.75%	5.00%	9.75%
2019	1.00%	0.75%	1.00%	0.25%	1.75%	5.00%	9.75%
2020	1.00%	0.75%	1.00%	0.25%	1.75%	5.00%	9.75%
2021	1.00%	1.00%	1.00%	0.25%	1.75%	5.00%	10.00%

Data Source: Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

**Direct and Overlapping Sales Tax Rates DuPage County - Last Ten Calendar Years
December 31, 2021 (Unaudited)**

Calendar Year	Village Direct Rate	Village Home Rule Rate	Regional Transportation Authority	County Direct Rate	State Rate	Total
2012	1.00%	0.50%	0.75%	0.25%	5.00%	7.50%
2013	1.00%	0.50%	0.75%	0.25%	5.00%	7.50%
2014	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2015	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2016	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2017	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2018	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2019	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2020	1.00%	0.75%	0.75%	0.25%	5.00%	7.75%
2021	1.00%	1.00%	0.75%	0.25%	5.00%	8.00%

Data Source: Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

**Ratio of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Fiscal Year	Governmental Activities		Business Type	Total		Percentage of EAV	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	IEPA Loan	Total Primary Government	Equalized Assessed Value (EAV)				
4/30/2013	\$ 21,289,045	\$ 1,606,283	\$ 22,895,328	\$ 626,685,617	3.65%	2.66%	\$ 602.94	
4/30/2014	20,477,418	1,283,975	21,761,393	542,401,799	4.01%	2.53%	573.08	
12/31/2014*	19,615,000	1,067,648	20,682,648	542,401,799	3.81%	2.41%	544.67	
12/31/2015	18,654,164	730,463	19,384,627	533,303,999	3.63%	2.25%	510.48	
12/31/2016	17,667,537	383,924	18,051,461	525,854,318	3.43%	2.10%	475.38	
12/31/2017	16,635,910	151,013	16,786,923	585,885,950	2.87%	1.95%	442.08	
12/31/2018	15,584,283	36,694	15,620,977	610,236,664	2.56%	1.82%	411.37	
12/31/2019	14,512,658	—	14,512,658	624,489,299	2.32%	1.69%	382.18	
12/31/2020	13,368,795	—	13,368,795	712,977,924	1.88%	1.55%	352.06	
12/31/2021	12,228,916	—	12,228,916	726,416,062	1.68%	1.22%	326.37	

Data Source: Village Records

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.

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

VILLAGE OF HANOVER PARK, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Amounts Available for Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
4/30/2013	\$ 21,289,045	\$ 370,984	\$ 20,918,061	3.34%	\$ 550.87
4/30/2014	20,477,418	553,653	19,923,765	3.67%	524.68
12/31/2014*	19,615,000	214,928	19,400,072	3.58%	510.89
12/31/2015	18,654,164	172,733	18,481,431	3.47%	486.70
12/31/2016	17,667,537	192,710	17,474,827	3.32%	460.19
12/31/2017	16,635,910	288,429	16,347,481	2.79%	430.50
12/31/2018	15,584,283	379,804	15,204,479	2.49%	400.40
12/31/2019	14,512,658	477,033	14,035,625	2.25%	369.62
12/31/2020	13,368,795	485,633	12,883,162	1.81%	339.27
12/31/2021	12,228,916	460,464	11,768,452	1.62%	314.08

Data Source: Village Records

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.

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

(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.

VILLAGE OF HANOVER PARK, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2021 (Unaudited)**

Governmental Unit	GO Bonded Debt	Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Hanover Park	\$ 12,228,916	100.00%	\$ 12,228,916
School District #20	15,177,641	21.98%	3,336,513
School District #93 (4)	4,400,000 (4)	18.41%	810,063
High School District #87 (3)(4)	56,385,000 (3)(4)	2.04%	1,151,545
High School District #108 (3)	15,527,126 (3)	8.59%	1,334,296
Community School District #46 (2)	218,313,638 (2)	5.05%	11,021,697
Community College District #502 (3)	144,715,000 (3)	0.72%	1,035,377
Community College District #509 (2)	160,968,576 (2)	1.91%	3,069,595
Community College District #512	134,849,515	0.95%	1,275,652
Total School Districts	<u>750,336,496</u>		<u>23,034,738</u>
Cook County	3,240,401,750	0.13%	4,332,527
DuPage County (3)(4)	137,893,149 (3)(4)	0.97%	1,337,017
Cook County Forest Preserve District (3)	140,011,723 (3)	0.15%	209,069
DuPage County Forest Preserve District (2)(3)	87,546,659 (2)(3)	1.08%	948,513
Metropolitan Water Reclamation District (1)	2,694,934 (1)	130.26%	3,510,522
Bartlett Park District (3)	18,995,000 (3)	3.85%	730,827
Hanover Park Park District (3)	6,231,220 (3)	29.22%	1,820,863
Schaumburg Park District (3)	12,447,675 (3)	0.35%	43,663
Bloomington Fire Protection District	1,668,107	8.13%	135,548
Total Other	<u>3,647,890,217</u>		<u>13,068,549</u>
Total Overlapping Debt	<u>4,398,226,713</u>		<u>36,103,287</u>
Total Direct and Overlapping Debt	<u><u>4,410,455,629</u></u>		<u><u>48,332,203</u></u>

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

(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.

VILLAGE OF HANOVER PARK, ILLINOIS

Legal Debt Margin

December 31, 2021 (Unaudited)

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 some 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

**Schedule of Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
4/30/2013	37,973	\$ 859,822,639	\$ 22,643	32	7,799	10.10%
4/30/2014	37,973	859,822,639	22,643	32	7,799	10.10%
12/31/2014*	37,973	859,822,639	22,643	32	7,799	10.10%
12/31/2015	37,973	859,822,639	22,643	32	7,799	6.10%
12/31/2016	37,973	859,822,639	22,643	32	7,799	5.70%
12/31/2017	37,973	859,822,639	22,643	32	7,799	5.80%
12/31/2018	37,973	859,822,639	22,643	32	7,799	5.70%
12/31/2019	37,973	859,822,639	22,643	32	7,799	5.70%
12/31/2020	37,973	859,822,639	22,643	32	7,799	8.20%
12/31/2021	37,470	1,005,057,810	26,823	32	7,518	6.70%

Data Source: (1) Illinois Department of Employment Security (using annual averages)

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

VILLAGE OF HANOVER PARK, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2021 (Unaudited)**

Employer	2021			2013		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Insight Enterprises, Inc.	510	1	21.9%	250	3	5.0%
Jabil Packaging Solutions	340	2	14.6%	108	9	2.2%
Camcraft, Inc.	282	3	12.1%	225	4	4.5%
Thermo Fischer Scientific	225	4	9.7%	300	2	6.0%
Pentair/Everpure, LLC	200	5	8.6%	200	5	4.0%
Menards	200	6	1.0%			
Fuji Film	190	7	8.2%	150	7	3.0%
CMA/Flodyne/Hyradine Inc	150	8	6.4%			
Round Ground Metals Inc	134	9	5.8%	95	10	1.9%
JFC International	98	10	4.2%			
Lineage Food Service Solution (aka. Maines Paper & Food				400	1	8.0%
Village of Hanover Park				193	6	3.9%
Wilson Pet Supply				120	8	2.4%
Total	<u>2,329</u>		<u>92.5%</u>	<u>2,041</u>		<u>40.9%</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/Program - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Function/Program	4/30/2013	4/30/2014	12/31/2014*	12/31/2015
General Government				
Village Clerk	2	2	2	2
Administration	2	2	2	2
Human Resources	3	3	4	3
Information Technology	3	3	3	3
Finance	9	9	10	11
Public Works	38	36	36	36
Police	80	80	85	85
Fire	41	41	41	41
Community Development	2	2	3	3
Water and Sewer	12	10	10	10
Totals	192	188	196	196

Data Source: Village Records

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
2	2	2	2	2	1
3	3	3	3	3	3
3	3	3	3	3	3
3	3	3	3	3	3
11	11	11	11	11	11
38	34	34	32	33	33
85	84	81	85	85	85
41	41	41	41	41	41
3	3	3	3	4	4
9	12	15	15	15	15
198	196	196	198	200	199

VILLAGE OF HANOVER PARK, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Function/Program	4/30/2013	4/30/2014	12/31/2014*	12/31/2015
Public Works				
Forestry				
Number of Parkway Trees Planted	—	140	—	159
Number of Parkway Trees Trimmed	2,123	1,870	1,550	1,467
Brush Pickup Program (Cubic Yards Collected)	1,640	1,400	965	1,090
Fleet Services				
Number of Vehicles Maintained	154	154	154	156
Preventative Maintenance Services	418	422	420	435
Public Safety				
Fire				
Number of Fire Calls	970	1,120	653	1,089
Number of EMS Calls	2,356	2,458	1,845	2,434
Number of Training Hours	13,626	14,563	9,982	15,954
ISO Rating	4	4	4	2
Police				
Part I Crime	481	379	290	305
Part II Crime	5,611	5,600	2,626	3,583
Calls for Service	47,775	45,244	28,375	43,255
State Tickets Issued	9,135	7,793	4,617	6,807
Compliance Tickets Issued	16	5	—	—
Parking Tickets Issued	13,786	11,609	7,709	9,270
Community Development				
Number of Building Permits Issued	1,502	987	684	1,654
Number of Building Inspections	2,791	2,965	1,829	5,896
Number of Food Service Inspections	493	496	295	422
Highways and Streets				
Sidewalk Replaced (Square Feet)	30,159	23,600	23,690	28,159
Annual Resurfacing Program (\$)	917,493	799,039	900,000	—
Crack Sealing (Pounds Installed)	21,777	22,680	15,600	16,080
Water and Sewer				
Water Main Breaks	75	43	43	41
Hydrants Flushed	1,475	1,475	1,599	1,475
Water Meters Read	67,618	40,462	40,462	41,239
Water Meter Service Requests	6,357	3,765	3,765	4,477
Water Meters Replaced	32	25	25	102
Total Distribution Pumpage (1,000 Gallons)	929,490	889,160	873,958	886,487
Average Daily Pumpage (1,000 Gallons)	2,547	2,436	2,394	2,429
Sanitary Sewer Televising (Feet)	17,615	2,801	600	20,831
Sanitary Sewer Repairs	1	1	1	2

Data Source: Village Records

Note: Indicators are not for the general government functions.

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
630	521	548	587	—	—
1,570	959	1,435	1,516	—	1,550
1,095	905	705	835	685	965
156	161	160	160	155	156
408	477	442	456	471	475
1,101	1,265	1,360	1,011	981	991
2,455	2,293	2,197	2,478	2,412	2,699
14,120	13,595	14,389	13,435	8,508	7,549
2	2	2	2	2	2
295	279	250	288	297	234
3,998	3,637	3,797	3,089	2,111	2,164
49,150	48,763	4,765	43,406	39,056	40,992
7,116	7,319	6,577	6,929	5,111	5,136
1,463	—	1,497	2,662	793	902
10,223	9,058	9,481	9,206	4,423	6,936
1,896	1,971	2,020	1,952	1,499	1,727
6,076	5,773	6,033	3,460	3,638	3,644
401	386	313	396	430	155
20,661	25,260	27,929	32,360	33,542	49,907
1,082,954	842,910	908,441	2,554,715	1,428,568	2,246,570
16,666	18,000	19,050	15,900	—	17,000
55	63	81	56	53	63
1,482	1,546	1,488	1,428	1,484	1,461
107,171	118,874	157,217	143,121	161,561	161,561
3,393	3,097	5,053	318	3,843	1,900
100	136	247	149	61	11
806,682	815,048	870,411	849,511	854,638	893,382
2,204	2,233	2,385	2,327	2,335	2,448
54,051	27,692	21,579	2,585	14,631	43,768
5	2	8	1	2	5

VILLAGE OF HANOVER PARK, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Function/Program	4/30/2013	4/30/2014	12/31/2014*	12/31/2015
Public Safety				
Police				
Stations	1	1	1	1
Patrol Units	20	20	20	20
Fire				
Fire Stations	2	2	2	2
Public Works				
Streets (Miles)	99.36	99.36	80.13	80.13
Sidewalks (Miles)	155.15	155.15	155.25	155.25
Streetlights	1,141	1,141	1,088	1,088
Water and Sewer				
Water Mains (Miles)	112.35	112.35	112.35	112.35
Fire Hydrants	1,475	1,477	1,475	1,482
Sanitary Sewers (Miles)	93.80	93.80	93.80	94.03
Manholes	2,346	2,348	2,348	2,353

Data Source: Village Records

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
1	1	1	1	1	1
20	20	20	20	20	20
2	2	2	2	2	2
80.13	80.13	85.22	85.22	85.22	85.41
155.30	155.37	155.37	155.38	155.38	155.57
1,088	1,121	1,154	1,160	1,185	1,185
112.35	112.35	125.58	125.58	125.58	126.39
1,483	1,482	1,485	1,482	1,482	1,495
94.03	94.03	93.10	93.10	93.10	93.10
2,353	2,353	2,383	2,353	2,353	2,394