

VILLAGE OF HANOVER PARK, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Hanover Park^{USA}

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

**Prepared by:
Finance Department**

**Remy Navarrete
Director of Finance**

VILLAGE OF HANOVER PARK, ILLINOIS

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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, 2022**

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

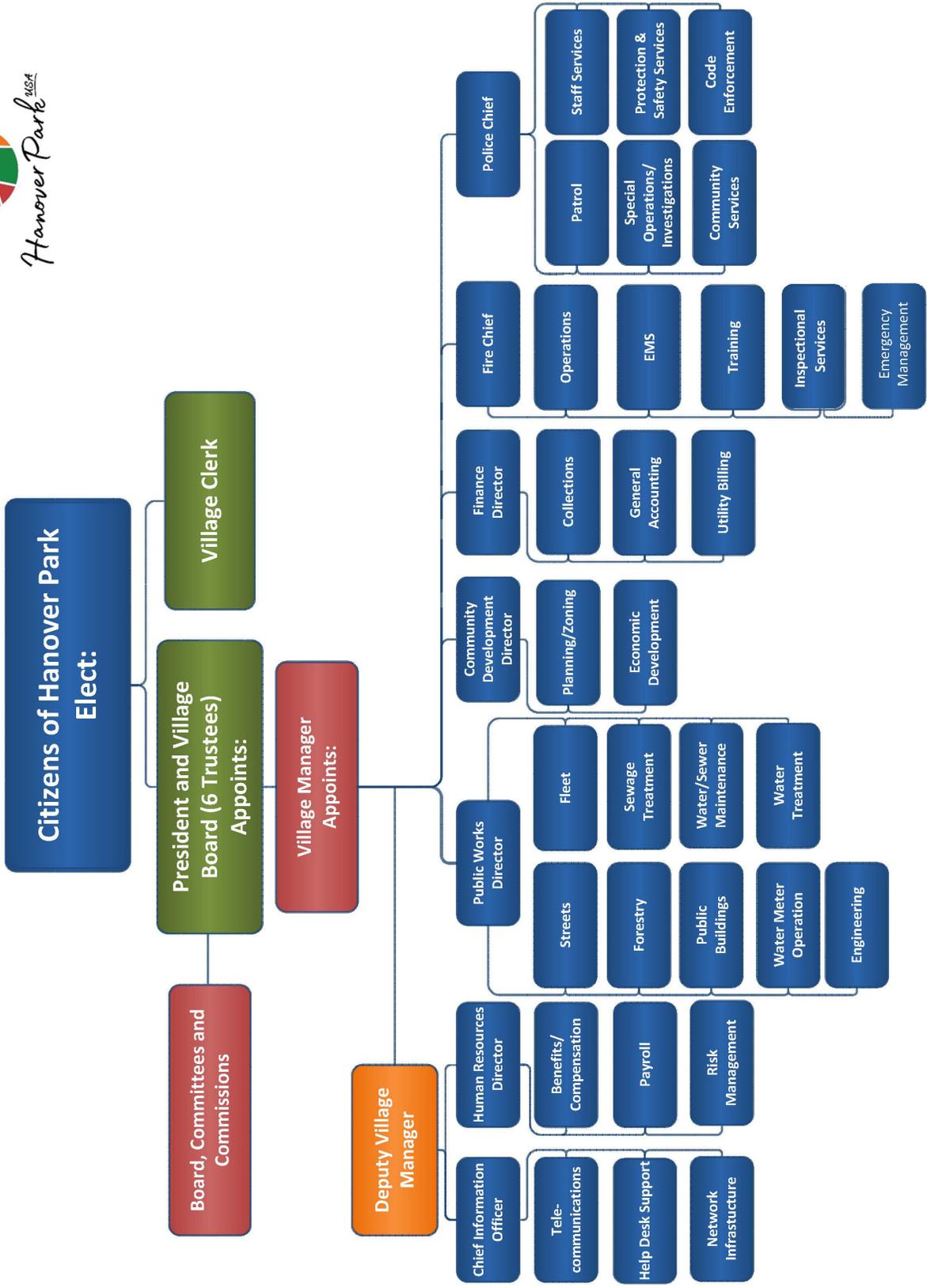
Juliana Maller, Manager

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 19, 2023

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, 2022, 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 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, 2022.

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, 2022. 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. Bi-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 was completed in late 2022.

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

The Village Board is required to hold a public hearing on the proposed budget, and a final budget going forward must be adopted by the Village Board by December 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 nonmajor governmental funds subsection of this report.

There were 200 full-time positions and 41 part-time positions, excluding seasonal workers, in the Fiscal Year 2022 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid firefighters (part-time), and Public Works employees.

Local Economy

The Village of Hanover Park is home to more than 400 licensed businesses, ranging from large international businesses to ‘mom-and-pop’ shops. There is more than 5,000,000 sq. ft. of Class A industrial development located in three Business Parks within the Village and 23 shopping centers ranging in size from 6,000 sq. ft. to 200,000 sq. ft. Nearly 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”. Seven new restaurants joined the Village in 2022.

The Village saw a lot of construction activity in 2022, including two major commercial subdivisions. Construction was completed for two new three-lot commercial subdivisions approved at NWC of Lake & Gary and at the NEC of Lake & Bartels. Construction continued for a 20-unit townhome development at Wise and Farmstead which was approved as a PUD. Construction also continued at several ongoing residential subdivisions, including the Habitat for Humanity townhome redevelopment and the LaGambina Homes single-family subdivision. The Village welcomed 26 new businesses in 2022, including a new Starbucks, Range USA, the Hanover Park VFW, and Tri-Dim Filter Corporation.

In 2022, the Village issued permits for \$10.8M worth of private investment made in the business community. Several of our industrial businesses undertook renovations, including MSC Direct, Trestle Fulfilment, A & H Manufacturing, Tri-Dim Filter Corporation (new business), and Elite RF (new business). Additionally, we had 3 restaurant renovations, 9 service business renovations, construction of a new 3-lot commercial subdivision at Lake & Bartels, and commencement on the redevelopment of the TrueNorth Shell gas station.

There was an additional \$34.2 million permitted for residential investment. This includes \$10.5 million in remodels and \$4.2 million in new construction.

About \$20 million of Real Estate transfers of non-residential property took place in Hanover Park in 2022. In addition to the major ongoing commercial developments at Lake/Bartels and Lake/Gary, several retail buildings, including the old Long John Silver’s and the Westview shopping center were purchased by new owners, demonstrating that Hanover Park is a good place to invest.

The Village commercial vacancy rate reduced from over 21.25% in 2013 to 5.1% in 2022. Our industrial and office vacancy rates continue to be low as well.

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

- **Property Taxes** – the Village collected \$12,010,176 or 100.54% of the budgeted amount. This is an increase of \$64,480 from budget to actual in FY2022, due to prior year tax levies collected in FY2022.
- **Telecommunication Tax** – the Village collected \$295,421 or 98.47% of the budgeted amount. This is a decrease of \$4,579 from budget to actual in FY2022. The account continues to decrease due to consumers changing to data plans for cell service which are not taxable.
- **Natural Gas Tax** – the Village collected \$437,122 or 105.08% of the budgeted amount. This is an increase of \$21,122 from budget to actual in FY2021. Similar to Electric Tax, taxes are generated based on actual usage and largely dependent on fluctuations in temperature. The change in natural gas tax rate from \$0.015 cents per therm to \$0.03 cents per therm was effective January 1, 2018.
- **Electric Tax** – the Village collected \$937,296 or 97.13% of the budgeted amount. This is a decrease of \$27,704 from budget to actual in FY2022. Taxes are generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Home Rule Sales Tax** – the Village collected \$11,273,479 or 1,437.489% of the budgeted amount. This is an increase of \$3,073,479 from budget to actual in FY2022. This is 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.

- **Real Estate Transfer Tax** – the Village collected \$797,474 or 199.37% of the budgeted amount. This is an increase of \$397,474 from budget to actual in FY2022, due to low interest rates. 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 recording of a deed.
- **Hotel and Motel Tax** – the Village collected \$57,582 or 129.40% of the budgeted amount. This is an increase of \$7,838 from budget to actual in FY2022 due to an increase in out-of-state travelers. 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 collected \$1,657,306 or 132.58% of the budgeted amount. This is an increase of \$407,306 from budget to actual in FY2022. 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 collected \$11,915,838 or 119.16% of the budgeted amount. This is an increase of 1,915,837 from budget to actual in FY2022. This revenue is based on the dollar amount of purchased tangible merchandise within the Village.
- **Use Tax** – the Village collected \$1,518,590 or 110.44% of the budgeted amount. This is an increase of \$143,590 from budget to actual in FY2022. 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.
- **Cannabis Use Tax** – the Village collected \$60,282 or 150.70% of the budgeted amount. This is an increase of \$20,282 from budget to actual in FY2022. 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.
- **Video Gaming Tax** – the Village collected \$227,958 or 116.90% of the budgeted amount. This is an increase of \$32,958 from budget to actual in FY2022. The video gaming tax revenue was moved from the MWRD Fund to the General Fund effective January 1, 2022. Net terminal income (NTI) is defined as the money put into a video gaming terminal (VGT) minus the credits paid to the player. The state receives 30% of the NTI generated from each licensed VGT. Of the state’s portion, five percent goes to the local municipality where the licensed VGT operates. Of the remaining 70 percent of the NTI, Scientific Games receives 0.8513% (0.7275% until 07/22/2018) as compensation for building and maintaining the central communication system (CCS). The remaining income is divided equally (by law, an even 50/50 split) between the terminal operator (who owns/leases and places the VGTs in locations) and the licensed locations.
- **Municipal Automobile Rental Tax** – the Village collected \$17,838 or 178.38% of the budgeted amount. This is an increase of \$7,838 from budget to actual in FY2022. 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.
- **Personal Property Tax** – the Village collected \$320,837 or 356.49% of the budgeted amount. This is an increase of \$230,837 from budget to actual in FY2022. 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.
- **State Income Tax** – the Village collected \$6,105,635 or 141.99% of the budgeted amount. This is an increase of \$1,805,635 from budget to actual in FY2022. This revenue is based on a portion of State Income Tax receipts distributed to the Village on a per-capita basis (population).

- **Other Intergovernmental** – the Village collected \$72,366 or 35.20% of the budgeted amount. This is a decrease of \$133,214 from budget to actual in FY2022. Revenues included in the total are National Opioid settlements, grants, reimbursement from DuPage County mowing charges, State reimbursement program for police training, Sustained Traffic Enforcement Program (STEP) reimbursement, fire recovery charges, and reimbursement for COVID-19 expenses budgeted in FY2022, collected in FY2021
- **Licenses and Permits** – the Village collected \$1,478,284 or 118.68% of the budgeted amount. This is an increase of \$232,684 from budget to actual in FY2022. This revenue is based on the number of businesses, liquor, contractors, solicitors, multi-family, single-family licenses, penalties, construction and remodeling, signs, video gaming permits, solid waste, land use development, and cable franchise fees.
- **Charges for Services** – the Village collected \$2,495,868 or 113.05% of the budgeted amount. This is an increase of \$288,134 from budget to actual in FY2022. Revenues included in the total are building reinspection, plan reviews, ground emergency medical transport, immobilization, ambulance, CPR, vehicle impound, ADT, elevation inspections, overweight vehicle fees, registration of defaulted mortgage and vacant property (foreclosure fee), printed materials, renewable green energy, and rental income.
- **Fines and Forfeits** – the Village collected \$878,534 or 100.87% of the budgeted amount. This is an increase of \$7,534 from budget to actual in FY2022. Revenues included in the total are traffic fines (Cook & DuPage), police and fire false alarms, adjudication hearing process for Ordinance violations, kennel fees, and red-light camera fines.
- **Investment Income** – the Village collected \$132,178 or 644.77% of the budgeted amount. This is an increase of \$111,678 from budget to actual in FY2022. The increase is due to CD's, Money Market, & Treasury Notes with rates in the upper 2% to 4.00%.
- **Miscellaneous Revenue** – the Village collected \$300,761 or 301.66% of the budgeted amount. This is an increase of \$201,060 from budget to actual in FY2022. Revenues included in the total are miscellaneous reimbursement, hazardous material reimbursement, bullet proof vest, corporate partnership program, central equipment maintenance funding – water & sewer, and other miscellaneous income such as checks from the Village's risk management company IRMA.

The Village's equalized assessed valuation decreased by \$12.5 million, or 1.72%, from \$726.4 million in the 2020 levy year to \$713.8million in the 2021 levy year. This is due to a decrease in equalized assessment valuation (EAV) and change in the annual cook county equalizer by the State of Illinois.

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 \$53,369. The Village management has been diligently monitoring expenses to ensure that the Village remains stable, providing core services in the most responsible way possible.

*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 sub year. **The \$57,404,382 is the adopted budget of General Fund for FY2023.

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 2022. 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 2022 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. Highlights include:

- Staff marketed 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 5.1% in 2022. Our industrial and office vacancy rates continue to be low as well.
- 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 amended the zoning code, created new zoning districts and rezoned several parcels to enable well-designed development using transit-oriented development principles.
- To catalyze Village Center investment, the Village issued an RFQ for redevelopment of the south commuter parking lot. Development proposals have been requested from successful developers as the next step.
- The Village held its Business After Hours, Corks and Crafts, and the Holiday Tree Lighting event in our new Ontarioville Plaza in the Village Center. This TIF-funded project was created as a civic gathering space and will serve as a catalyst of growth in the Village Center. The 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.
- Community and Economic Development expanded their use of a new Facebook page, an electronic newsletter, 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 fuel station/convenience store is in the final permitting stage at the NW corner of Lake Street and Gary Ave. Construction is expected in 2023. A multi-tenant retail building will be built in the next phase.
- Construction was nearly completed on the three-parcel subdivision at the northeast corner of Lake and Bartels.
- Construction continued on a 20-unit townhome development at 1 Wise Rd.
- Chase Bank on Irving Park Road was rebuilt and modernized.
- The Village received several development applications in 2022, including a townhome development at the corner of Stearns & Redford, a variation request for a self-storage building at 1550 Hunter, a Special Use for a drive-through to construct an Arby's, and a few smaller residential projects.
- 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 had 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 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.

- New families moved into the Verandah senior housing development, on Irving Park Road. 42 of the 55 townhome units have been completed. The overall project calls for a 215-unit senior housing development with a mix of townhomes, condominiums, assisted living units, memory care units, a club house, communal dining and fitness facilities, ancillary medical offices, and a one-acre commercial site for future commercial retail/restaurants.
- Construction continues for Habitat for Humanity townhomes, off Greenbrook Blvd..
- Fire Station No 2 (Station 16) Construction: The existing Fire Station No. 2 (Station 16) is inadequate to the task of supporting emergency medical services and fire response in its current design, condition, size, and location. 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. The site selected for this facility is at the corner near Schick Road and Audrey Lane on property already owned by the Village. Under this program a new fire station will be constructed. A builder and architect have been selected and design has been completed. It is expected that the project will be bid in early 2023 for construction in 2023 and completion early 2024.
- Infrastructure: In 2022, the Village invested \$5,084,000 into the resurfacing and reconstruction of Village streets. Of that, \$2,834,000 is from state capital grants, and another \$1,500,000 is from Motor Fuel Taxes. \$480,000 was budgeted as the Village's Share for the long-awaited replacement of Arlington Drive Bridge. A \$300,000 grant funded lighting project on Irving Park Road is scheduled for 2023. Grant funds were also secured for the final phase of the MWRD sports complex and for increasing pedestrian safety at the Metra Station. \$3,845,000 was invested in replacing watermain and repairing valves.

Awards and Acknowledgments

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, 2021. This was the 37th 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 ACFR. 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 ACFR 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 2023 budget document. This was the 34th 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, 2021

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

June 19, 2023

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, 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, 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, as of December 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and *Government 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, the budgetary comparison schedules, the GASB-required pension, and the other post-employment benefit (OPEB) reporting, 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 is 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 is 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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 \$131,744,504 (net position) as of December 31, 2022. The unrestricted net position has a positive balance of \$15,673,093 and may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$14,447,536 to \$131,744,504 as of December 31, 2022.
- During the year, government-wide revenues totaled \$77,214,886 while expenses totaled \$62,767,350 resulting in the increase of net position in the amount of \$14,447,536.
- The Village's combined governmental funds ending fund balance increased by \$8,631,346 to \$62,030,798 as of December 31, 2022.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$37,812,992 or 99.9% of General Fund Fiscal Year 2022. The annualized budgeted expenditures and other financing uses totaled \$57,280,942.
- The Village's total long-term debt including pension obligation (GASB 68 and GASB 75) and compensated absences liability increased by \$6,965,777 to \$68,455,018 compared to FY2021 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022, compared to December 31, 2021:

	Statement of Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 102,894,596	88,817,996	13,838,294	14,398,045	116,732,890	103,216,041
Capital Assets	78,023,542	77,223,583	26,695,260	23,512,012	104,718,802	100,735,595
Total Assets	180,918,138	166,041,579	40,533,554	37,910,057	221,451,692	203,951,636
Deferred Outflows of Resources	17,086,533	9,443,600	1,367,088	1,252,799	18,453,621	10,696,399
Total Assets and Deferred Outflows of Resources	198,004,671	175,485,179	41,900,642	39,162,856	239,905,313	214,648,035
Long-Term Liabilities	66,722,797	59,337,420	1,732,221	2,151,821	68,455,018	61,489,241
Other Liabilities	10,137,468	9,568,482	1,336,695	1,516,375	11,474,163	11,084,857
Total Liabilities	76,860,265	68,905,902	3,068,916	3,668,196	79,929,181	72,574,098
Deferred Inflows of Resources	25,079,369	23,169,194	3,152,259	1,607,775	28,231,628	24,776,969
Total Liabilities and Deferred Inflows of Resources	101,939,634	92,075,096	6,221,175	5,275,971	108,160,809	97,351,067
Net Position						
Net Investment in Capital Assets	67,145,083	65,186,567	26,695,260	23,512,012	93,840,343	88,698,579
Restricted	20,638,166	14,358,584	1,592,902	—	22,231,068	14,358,584
Unrestricted	8,281,788	3,864,932	7,391,305	10,374,873	15,673,093	14,239,805
Total Net Position	96,065,037	83,410,083	35,679,467	33,886,885	131,744,504	117,296,968

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 \$131,744,504 as of December 31, 2022. The largest portion of the Village's net position reflects its net investment in capital assets of \$93,840,343 or 71.2%. 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

An additional portion of the Village's net position of \$22,231,068 or 16.9% represents resources that are subject to external restrictions on how they may be used. The positive balance of unrestricted net position, \$15,673,093 or 11.9%, may be used to meet the Village's ongoing obligations to citizens and creditors.

The net position of governmental activities totaled \$96,065,037, an increase of 15.2% from Fiscal Year 2021.

The net position of business-type activities totaled \$35,679,467, an increase of 5.3% from Fiscal Year 2021. The unrestricted net position of \$7,391,305 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, 2022

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, 2022, compared to December 31, 2021:

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 4,922,311	4,689,097	10,280,785	10,243,568	15,203,096	14,932,665
Operating Grants and Contrib.	3,242,419	2,824,321	3,260,726	2,546,552	6,503,145	5,370,873
General Revenues						
Property Taxes	16,321,211	16,506,192	—	—	16,321,211	16,506,192
Home Rule Sales Taxes	11,273,479	9,443,282	—	—	11,273,479	9,443,282
Utility Taxes	1,669,839	1,688,896	—	—	1,669,839	1,688,896
Other Taxes	2,663,801	2,802,177	—	—	2,663,801	2,802,177
Intergovernmental	20,178,673	18,092,506	—	—	20,178,673	18,092,506
Investment Income	503,363	79,484	123,679	7,387	627,042	86,871
Miscellaneous	348,441	340,534	2,426,159	1,574,261	2,774,600	1,914,795
Total Revenues	61,123,537	56,466,489	16,091,349	14,371,768	77,214,886	70,838,257
Expenses						
General Government	5,104,206	3,094,879	—	—	5,104,206	3,094,879
Public Works	4,615,317	4,299,445	—	—	4,615,317	4,299,445
Public Safety	26,570,820	22,264,675	—	—	26,570,820	22,264,675
Community Development	7,017,499	7,122,168	—	—	7,017,499	7,122,168
Highways and Streets	4,884,665	3,845,558	—	—	4,884,665	3,845,558
Interest on Long-Term Debt	276,076	314,373	—	—	276,076	314,373
Waterworks and Sewerage	—	—	13,134,009	14,267,474	13,134,009	14,267,474
Municipal Commuter Parking Lot	—	—	1,164,758	339,367	1,164,758	339,367
Total Expenses	48,468,583	40,941,098	14,298,767	14,606,841	62,767,350	55,547,939
Change in Net Position	12,654,954	15,525,391	1,792,582	(235,073)	14,447,536	15,290,318
Net Position - Beginning	83,410,083	67,884,692	33,886,885	34,121,958	117,296,968	102,006,650
Net Position - Ending	96,065,037	83,410,083	35,679,467	33,886,885	131,744,504	117,296,968

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

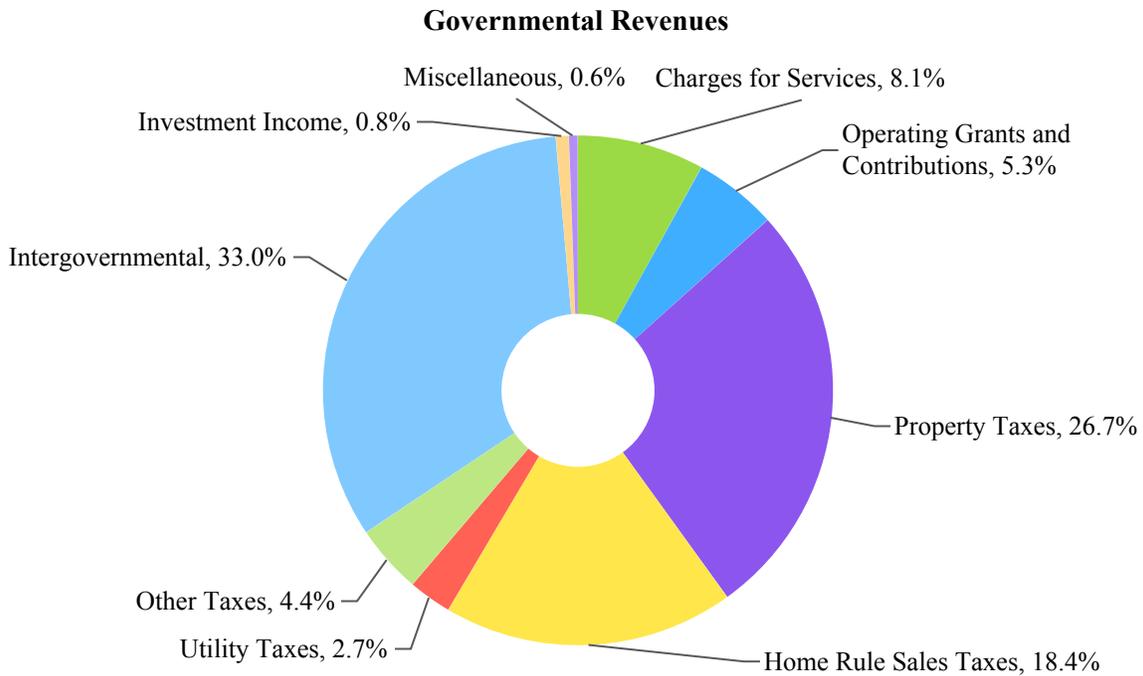
Changes in Net Position - Continued

Net position of the Village’s governmental activities increased by 15.2% or \$12,654,954 (\$96,065,037 in 2022 compared to \$83,410,083 in 2021). Net position of business-type activities increased by 5.3% or \$1,792,582 (\$35,679,467 in 2022 compared to \$33,886,885 in 2021). Key elements contributing to this net change are as follows:

Governmental Activities

Revenues

Revenues for governmental activities totaled \$61,123,537 and \$56,466,489 for December 31, 2022 and December 31, 2021 respectively. This is an increase of \$4,657,048.



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

- Charges for services revenues increased by \$233,214 compared to prior year due to steady stream of permits, vehicle impounds, ground emergency medical transportation, ambulance, and implementation of GASB 90 to record the Equity Interest in Hanover Square LLC
- Operating grants and contributions revenues increased by \$418,098 compared to prior year due to Hanover Park Sport Complex expense reimbursement, National Opioid Settlements, DuPage City mowing, police and fire program, and MFT allotment increase

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Revenues - Continued

- Property taxes revenues decreased by \$184,981 compared to prior year due to a decrease on Tax Increment Financial (TIF) increment, and the road and bridge taxes
- Home rule sales taxes increased by \$1,830,197 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 \$19,057 compared to prior year due to telecommunication tax continuing to decline due to customers changing to data plans for cell service, which are not taxable. Natural and Electric taxes are based on actual usage and largely dependent on fluctuations in temperature.
- Other Taxes decreased by \$138,376 compared to prior year due to video gaming tax moved to Intergovernmental category, offset by increases on hotel tax, food & beverage tax, real estate transfer tax, gasoline tax, push tax, foreign fire tax
- Intergovernmental revenues increased by \$2,086,167 compared to prior year due to general increase in use tax, cannabis tax, auto rental tax, personal property replacement tax, state income tax, retail sales and sales generated by new retailers located in the Village and the steady stream of the state income tax and moving the video gaming tax to this category.
- Investment income increased by \$423,879 on CD’s and Treasury notes with rates in the upper 2.00% to 4.00%, and Money Market accounts going from 2.5% to 3.60% this year.
- Miscellaneous revenues increased by \$7,907 compared to prior year on hazardous material, OJP bullet proof vest, confiscated permit bonds, unclaimed property, claim reimbursement, reimbursement expenses of Village Corporate Counsel, corporate partnership sponsors, offset the decrease in maintenance of water and sewer equipment funding and the reimbursement of Sycamore resurfacing project

	Changes in Governmental Activities Revenues			
	2022	2021	Increase (Decrease)	% Increase (Decrease)
Charges for Services	\$ 4,922,311	4,689,097	233,214	5.0%
Operating Grants and Contrib.	3,242,419	2,824,321	418,098	14.8%
Property Taxes	16,321,211	16,506,192	(184,981)	(1.1%)
Home Rule Sales Taxes	11,273,479	9,443,282	1,830,197	19.4%
Utility Taxes	1,669,839	1,688,896	(19,057)	(1.1%)
Other Taxes	2,663,801	2,802,177	(138,376)	(4.9%)
Intergovernmental	20,178,673	18,092,506	2,086,167	11.5%
Investment Income	503,363	79,484	423,879	533.3%
Miscellaneous	348,441	340,534	7,907	2.3%
	<u>61,123,537</u>	<u>56,466,489</u>	<u>4,657,048</u>	<u>8.2%</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

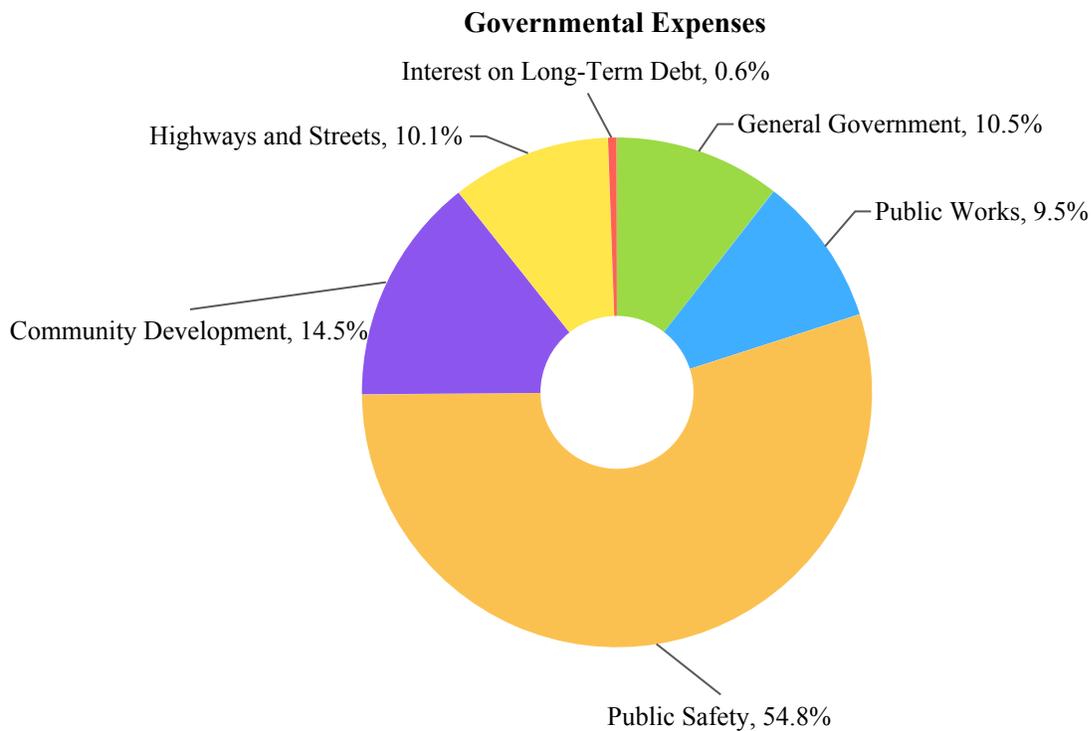
December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Expenses

For the year ending December 31, 2022, governmental expenses totaled \$48,468,583. There is an increase of \$7,527,485 or 18.39% from the December 31, 2021 expenses of \$40,941,098. 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

	2022	2021	Increase (Decrease)	% Increase (Decrease)
General Government	\$ 5,104,206	3,094,879	2,009,327	64.9%
Public Works	4,615,317	4,299,445	315,872	7.3%
Public Safety	26,570,820	22,264,675	4,306,145	19.3%
Community Development	7,017,499	7,122,168	(104,669)	(1.5%)
Highways and Streets	4,884,665	3,845,558	1,039,107	27.0%
Interest on Long-Term Debt	276,076	314,373	(38,297)	(12.2%)
	<u>48,468,583</u>	<u>40,941,098</u>	<u>7,527,485</u>	<u>18.4%</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-type activities posted total revenues of \$16,091,349 while the cost of all business-type activities totaled \$14,298,767. There is a surplus of \$1,792,582. In 2021, revenues of \$14,371,768 and expenses of \$14,606,841 showed a deficit of \$235,073.

Revenues

Proprietary Fund, for the fiscal year ending December 31, 2022, revenues for the business-type activities totaled \$16,091,349, showing an increase of \$1,719,581, or 12.0% from FY2021. This is due to a rate increase of water infrastructure service charge from \$12.50 to \$18.50 effective January 1, 2022; water consumption due to more working from home and mild summer weather; and an increase in investment income due to higher CD's, Money Market and Treasury Note rates totaling \$957,476. The Municipal Commuter Lot Fund, increase due to Build Illinois Grant reimbursement for the Metra Crossing safety Project, and increase on investment income due to higher CD's, Money Market and Treasury Note rates totaling \$762,105

Waterworks and Sewerage increased by \$957,476 or 6.7% compared to prior year due to increase in water consumption that is largely dependent on fluctuations in temperature, an infrastructure rate increase from \$12.50 to \$18.50 effective January 1, 2022, and an increase in investment income with higher rates from CD's, Money Market and Treasury Note.

Municipal Commuter Parking Lot increased by \$762,105 or 1349.5% compared to prior year due to an increase in commuter ridership in FY2021, reimbursement expenses from Build Illinois Grant for Metra Crossing Safety Project, and an increase in investment income with higher rates from CD's, Money Market and Treasury Note. The Commuter Parking Lot Fund rates are currently \$1.75 daily parking fee; and \$35.00 monthly parking fee.

	Changes in Business-Type Activities Revenues			
	2022	2021	Increase	% Increase
Waterworks and Sewerage	\$ 15,272,770	14,315,294	957,476	6.7%
Municipal Railroad Parking Lot	818,579	56,474	762,105	1349.5%
	<u>16,091,349</u>	<u>14,371,768</u>	<u>1,719,581</u>	<u>12.0%</u>

Expenses

Expenses for the year ending December 31, 2022, totaled \$14,298,767. It shows a decrease of \$308,074 or 2.1% over the FY2021 expenses of \$14,606,841. The decrease is due to completion of the water meter change-out project which started in FY2021 and completed in mid-FY2022. This is offset by an increase in Municipal Railroad Parking Lot for the Metra Crossing Safety Grant expense reimbursement through a Build Illinois Grant.

	Changes in Business-Type Activities Expenses			
	2022	2021	Increase (Decrease)	% Increase (Decrease)
Waterworks and Sewerage	\$ 13,134,009	14,267,474	(1,133,465)	(7.9%)
Municipal Railroad Parking Lot	1,164,758	339,367	825,391	243.2%
	<u>14,298,767</u>	<u>14,606,841</u>	<u>(308,074)</u>	<u>(2.1%)</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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 \$62,030,798 which is \$8,631,346 or 16.2%, higher than last year's total of \$53,399,452. Of the \$62,030,798 total, \$37,812,992 or approximately 61.0% 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 \$75,312 to \$37,868,166 of which \$37,812,992 is the unassigned amount. The increase is due primarily to higher-than-expected sales-related taxes and an increase in 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. This is offset by lower-than-expected expenditures. 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. The Village will use the unassigned fund balance for the Village owed property improvements and the Village's infrastructure program, which will be funded in part by reimbursable grants.

	Comparison of the Results of Operations and the Unassigned Fund Balance (Last Four Fiscal Years)			
	2019	2020	2021	2022
Revenues and Transfers	\$ 38,131,184	41,943,735	48,785,026	53,021,018
Expenditures and Transfers	36,955,535	36,668,195	39,852,049	52,945,706
Results of Operations	1,175,649	5,275,540	8,932,977	75,312
Fund Balance - Beginning	22,408,688	23,584,337	28,859,877	37,792,854
Fund Balance - Ending	23,584,337	28,859,877	37,792,854	37,868,166
Reserved/Nonspendable and Restricted	192,354	29,449	33,231	55,174
Unassigned	23,391,983	28,830,428	37,759,623	37,812,992
Total Fund Balance	23,584,337	28,859,877	37,792,854	37,868,166
Unassigned Fund Balance as a Percentage of Budgeted Expenditures	63.3%	78.6%	94.8%	74.4%

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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 \$137,215, due to MFT allotment and investment income exceeding expenditures for FY2022.

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 Church Street Station (Townhouses and Commercial), the Animal Care Building, the Claremont (Nursing Facility) and the Hanover Square Shopping Center. As of December 31, 2022, the Tax Increment Financing #3 saw an increase of \$1,943,109.

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 monthly infrastructure service charge increased from \$12.50 to \$18.50 effective January 1, 2022. 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 expenses exceeded actual revenues in Fiscal Year 2022. Total operating revenues were \$12,725,137 (including grants) versus \$13,134,009 in operating expenditures. As of December 31, 2022, the overall net position in this fund increased by \$2,138,761 (including grants).

	Waterworks and Sewerage Fund Revenues			
	2022	2021	Increase (Decrease)	% Increase (Decrease)
Water Sales	\$ 6,750,766	6,848,785	(98,019)	(1.4%)
Sewer Sales	2,673,439	2,696,763	(23,324)	(0.9%)
Leachate Treatment	247,721	183,879	63,842	34.7%
Interest	121,037	7,387	113,650	1538.5%
Other Revenues	2,932,174	2,031,928	900,246	44.3%
	<u>12,725,137</u>	<u>11,768,742</u>	<u>956,395</u>	<u>8.1%</u>

The Municipal Railroad Parking Lot Fund actual revenues fell short of actual expenses in Fiscal Year 2022. Total operating expenditures were \$1,164,758 versus \$818,579 in operating revenues. The overall net position in this fund as of December 31, 2022, decreased by \$346,179. The decrease is due to the COVID-19 pandemic, customers (employees) continuing to work remotely from home. The Municipal Railroad Parking Lot continues to struggle due to lack of parking activity.

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis

December 31, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2022, the Village Board approved a budget amendment to increase the budget by \$800,000 to provide for an advance to the Municipal Railroad Parking Lot Fund, to pay for operating expenses. Once the Municipal Railroad Parking Lot fund recovers and has a positive fund balance it will then pay back the General Fund. A budget amendment was also approved to increase the budget by \$2,200,000 due to tax incentive agreement payments exceeding the budgeted amount which was offset by unanticipated revenue. A Budget amendment to increase the budget by \$2,000,000 due to road improvement. The Village is scheduled to receive a \$2M grant from the Build Illinois Bond Fund through the Illinois Department of Commerce & Economic Development (DCEO). The Village has not yet received the funding but most of the project was completed in FY2022. A Budget amendment to increase by \$200,000 for improvements to the MWRD sport complex. The Village is scheduled to receive a \$1,042,000 grant from the Build Illinois Bond Fund through the Illinois Department of Commerce & Economic Development (DCEO). The Village has not received funding but most of the project was completed in FY2022. We have been utilizing the fund balance in the MWRD fund to pay for the project, but at the end of FY2022 the MWRD fund has a negative fund balance.

General Fund actual revenues (including other financing sources) for the year totaled \$53,021,018 compared to budgeted revenues of \$44,211,311. It shows a difference of \$8,809,707. This is due to property taxes, general sales and use taxes, real estate transfer stamps, cannabis, prepared food and beverage tax, state income tax, personal property replacement tax, permits, fees, fines and forfeits, investment income, and miscellaneous income that exceeded the budgeted amount for FY2022.

The General Fund actual expenditures (including other financing uses) for the year totaled \$52,945,706. This is \$2,027,632 or 3.7% lower than final budgeted expenditures of \$54,973,338. The staff has been diligently monitoring expenses to ensure that the Village remains stable, while still providing core services in the most responsible way.

	2022			2021 Actual
	Original Budget	Final Budget	Actual	
Revenues	\$ 44,181,311	44,181,311	52,991,018	48,431,604
Expenditures	40,299,806	42,498,806	41,271,174	37,743,667
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,881,505	1,682,505	11,719,844	10,687,937
Other Financing Sources	30,000	30,000	30,000	30,000
Other Financing (Uses)	(9,474,532)	(12,474,532)	(11,674,532)	(2,108,382)
Net Change in Fund Balance	(5,563,027)	(10,762,027)	75,312	8,609,555

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2022

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, 2022, was \$104,718,802 (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	
	2022	2021	2022	2021	2022	2021
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	2,466,119	835,466	171,737	143,252	2,637,856	978,718
Buildings	20,175,232	20,866,215	5,126,324	5,371,879	25,301,556	26,238,094
Machinery, Equipment, and Vehicles	8,373,428	7,556,648	593,671	670,248	8,967,099	8,226,896
Improvements Other Than Buildings	7,162,072	7,540,456	3,692,534	4,030,201	10,854,606	11,570,657
Infrastructure	10,220,049	10,798,156	—	—	10,220,049	10,798,156
Underground Systems	—	—	14,856,360	11,041,798	14,856,360	11,041,798
	<u>78,023,542</u>	<u>77,223,583</u>	<u>26,695,260</u>	<u>23,512,012</u>	<u>104,718,802</u>	<u>100,735,595</u>

This year's major additions included:

Construction in Progress	\$ 2,416,420
Machinery, Equipment, and Vehicles	1,409,856
Improvements Other Than Buildings	11,380
Underground Systems	<u>4,153,737</u>
	<u><u>7,991,393</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, 2022

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 \$1,010,000 or 9.44% compared to the prior fiscal year. A key factor in this decrease was due to the scheduled principal payments. No additional debt was incurred during Fiscal Year 2022.

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	
	2022	2021
General Obligation Bonds	\$ 9,690,000	10,700,000

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 2023 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 recovery. 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 balance budget for FY2023 with zero percent (0.00%) 2022 tax levy increase (7th year in a row). A water and sewer rate increase was passed for 4.5% effective May 1, 2023 billing. The infrastructure service charged from a flat rate across all meter sizes to a fixed scaled meter rate based off of meter size, with an 8.0% increase effective May 1, 2023 billing. 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 to identify 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 with the current level of resources.

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. Phone number 630-823-5790

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, 2022

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

**Statement of Net Position
December 31, 2022**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Hanover Square
ASSETS				
Current Assets				
Cash and Investments	\$ 66,053,550	10,219,266	76,272,816	1,521,967
Receivables - Net of Allowances	25,104,893	1,585,786	26,690,679	303,017
Due from Other Governments	2,639,116	1,530,214	4,169,330	—
Internal Balances	1,100,000	(1,100,000)	—	—
Prepays	22,842	10,126	32,968	—
Inventories	35,001	—	35,001	—
Total Current Assets	94,955,402	12,245,392	107,200,794	1,824,984
Noncurrent Assets				
Capital Assets				
Nondepreciable	32,092,761	2,426,371	34,519,132	1,017,088
Depreciable	99,932,150	50,245,016	150,177,166	6,947,543
Accumulated Depreciation	(54,001,369)	(25,976,127)	(79,977,496)	(1,407,296)
	78,023,542	26,695,260	104,718,802	6,557,335
Other Assets				
Equity Interest	4,063,954	—	4,063,954	—
Net Pension Asset - IMRF	3,377,429	1,592,902	4,970,331	—
Net Pension Asset - SLEP	497,811	—	497,811	—
Total Other Assets	7,939,194	1,592,902	9,532,096	—
Total Noncurrent Assets	85,962,736	28,288,162	114,250,898	6,557,335
Total Assets	180,918,138	40,533,554	221,451,692	8,382,319
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	1,413,320	653,644	2,066,964	—
Deferred Items - Police Pension	8,375,337	—	8,375,337	—
Deferred Items - Firefighters' Pension	5,328,650	—	5,328,650	—
Deferred Items - RBP	1,798,648	392,461	2,191,109	—
Deferred Items - ARO	—	320,983	320,983	—
Unamortized Loss on Refunding	170,578	—	170,578	—
Total Deferred Outflows of Resources	17,086,533	1,367,088	18,453,621	—
Total Assets and Deferred Outflows of Resources	198,004,671	41,900,642	239,905,313	8,382,319

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	\$ 2,878,313	1,165,695	4,044,008	444,147
Accrued Payroll	1,066,176	132,494	1,198,670	—
Unearned Revenues	44,930	—	44,930	81,540
Other Payable	5,024,053	31,265	5,055,318	—
Accrued Interest Payable	32,300	—	32,300	—
Current Portion of Long-Term Debt	1,091,696	7,241	1,098,937	166,562
Total Current Liabilities	10,137,468	1,336,695	11,474,163	692,249
Noncurrent Liabilities				
Compensated Absences Payable	792,219	137,580	929,799	—
Net Pension Liability - Police Pension	33,217,649	—	33,217,649	—
Net Pension Liability - Firefighters' Pension	17,009,708	—	17,009,708	—
Total OPEB Liability - RBP	5,704,184	1,244,641	6,948,825	—
General Obligation Bonds Payable - Net	9,999,037	—	9,999,037	—
Notes Payable	—	—	—	3,626,116
Asset Retirement Obligation	—	350,000	350,000	—
Total Noncurrent Liabilities	66,722,797	1,732,221	68,455,018	3,626,116
Total Liabilities	76,860,265	3,068,916	79,929,181	4,318,365
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	13,812,302	—	13,812,302	—
Deferred Items - IMRF	5,182,646	2,444,300	7,626,946	—
Deferred Items - SLEP	157,360	—	157,360	—
Deferred Items - Police Pension	970,338	—	970,338	—
Deferred Items - Firefighters' Pension	1,712,149	—	1,712,149	—
Deferred Items - RBP	3,244,574	707,959	3,952,533	—
Total Deferred Inflows of Resources	25,079,369	3,152,259	28,231,628	—
Total Liabilities and Deferred Inflows of Resources	101,939,634	6,221,175	108,160,809	4,318,365
NET POSITION				
Net Investment in Capital Assets	67,145,083	26,695,260	93,840,343	2,764,657
Restricted				
Public Safety	493,763	—	493,763	—
Highways and Streets	3,758,095	—	3,758,095	—
Community Development	11,676,055	—	11,676,055	—
Debt Service	488,798	—	488,798	—
Special Service Areas	346,215	—	346,215	—
IMRF	3,875,240	1,592,902	5,468,142	—
Unrestricted	8,281,788	7,391,305	15,673,093	1,299,297
Total Net Position	96,065,037	35,679,467	131,744,504	4,063,954

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, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 5,104,206	1,411,482	16,725	—
Public Works	4,615,317	555,946	—	—
Public Safety	26,570,820	2,845,559	55,641	—
Community Development	7,017,499	109,324	—	—
Highways and Streets	4,884,665	—	3,170,053	—
Interest on Long-Term Debt	276,076	—	—	—
Total Governmental Activities	48,468,583	4,922,311	3,242,419	—
Business-Type Activities				
Waterworks and Sewerage	13,134,009	10,177,941	2,547,633	—
Municipal Commuter Parking Lot	1,164,758	102,844	713,093	—
Total Business-Type Activities	14,298,767	10,280,785	3,260,726	—
Total Primary Government	62,767,350	15,203,096	6,503,145	—
Discreetly Presented Component Unit				
Hanover Square	1,110,319	1,260,721	—	—

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
Net (Expenses)/Revenues			
Governmental Activities	Business-Type Activities	Totals	Hanover Square
(3,675,999)	—	(3,675,999)	—
(4,059,371)	—	(4,059,371)	—
(23,669,620)	—	(23,669,620)	—
(6,908,175)	—	(6,908,175)	—
(1,714,612)	—	(1,714,612)	—
(276,076)	—	(276,076)	—
(40,303,853)	—	(40,303,853)	—
—	(408,435)	(408,435)	—
—	(348,821)	(348,821)	—
—	(757,256)	(757,256)	—
(40,303,853)	(757,256)	(41,061,109)	—
—	—	—	150,402
16,321,211	—	16,321,211	—
11,273,479	—	11,273,479	—
1,669,839	—	1,669,839	—
2,663,801	—	2,663,801	—
11,915,838	—	11,915,838	—
1,518,590	—	1,518,590	—
6,105,635	—	6,105,635	—
638,610	—	638,610	—
503,363	123,679	627,042	—
348,441	2,426,159	2,774,600	—
52,958,807	2,549,838	55,508,645	—
12,654,954	1,792,582	14,447,536	150,402
83,410,083	33,886,885	117,296,968	3,913,552
96,065,037	35,679,467	131,744,504	4,063,954

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

VILLAGE OF HANOVER PARK, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2022

	<u>General</u>
ASSETS	
Cash and Investments	\$ 32,901,282
Receivables - Net of Allowances	
Taxes	19,347,741
Accounts	553,119
Accrued Interest	2,304,736
Due from Other Governments	1,678,515
Due from Other Funds	675,480
Advances to Other Funds	1,100,000
Prepays	20,173
Inventories	<u>35,001</u>
 Total Assets	 <u><u>58,616,047</u></u>
LIABILITIES	
Accounts Payable	605,850
Accrued Payroll	1,066,176
Unearned Revenues	44,930
Other Payable	6,404,742
Due to Other Funds	<u>680,087</u>
Total Liabilities	8,801,785
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>11,946,096</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>20,747,881</u></u>
FUND BALANCES	
Nonspendable	55,174
Restricted	—
Assigned	—
Unassigned	<u>37,812,992</u>
Total Fund Balances	<u><u>37,868,166</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>58,616,047</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	
1,746,182	9,455,474	13,309,545	57,412,483	
—	473,032	2,155,412	21,976,185	
—	100	109,117	662,336	
16,699	78,765	29,526	2,429,726	
146,247	—	814,354	2,639,116	
—	—	—	675,480	
—	—	—	1,100,000	
—	—	—	20,173	
—	—	—	35,001	
1,909,128	10,007,371	16,417,954	86,950,500	
134,561	1,153	1,267,927	2,009,491	
—	—	—	1,066,176	
—	—	—	44,930	
—	84,433	142,061	6,631,236	
—	—	675,480	1,355,567	
134,561	85,586	2,085,468	11,107,400	
—	—	1,866,206	13,812,302	
134,561	85,586	3,951,674	24,919,702	
—	—	—	55,174	
1,774,567	9,921,785	5,098,874	16,795,226	
—	—	7,367,406	7,367,406	
—	—	—	37,812,992	
1,774,567	9,921,785	12,466,280	62,030,798	
1,909,128	10,007,371	16,417,954	86,950,500	

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, 2022

Total Governmental Fund Balances	\$ 62,030,798
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.	78,023,542
Less: Internal Service Capital Assets	(5,364,047)
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.	13,855,694
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	1,607,183
The equity interest in Hanover Square in included in the governmental activities in the Statement of Net Position	4,063,954
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	3,377,429
Net Pension Asset - SLEP	497,811
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(3,769,326)
Deferred Items - SLEP	(157,360)
Deferred Items - Police Pension	7,404,999
Deferred Items - Firefighters' Pension	3,616,501
Deferred Items - RBP	(1,445,926)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(833,915)
Net Pension Liability - Police Pension	(33,217,649)
Net Pension Liability - Firefighters' Pension	(17,009,708)
Total OPEB Liability - RBP	(5,704,184)
General Obligation Bonds Payable - Net	(11,049,037)
Unamortized Loss on Refunding	170,578
Accrued Interest Payable	(32,300)
Net Position of Governmental Activities	<u>96,065,037</u>

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, 2022**

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, 2022

	<u>General</u>
Revenues	
Taxes	\$ 27,466,049
Intergovernmental	20,239,344
Licenses and Permits	1,478,284
Charges for Services	2,495,868
Fines and Forfeitures	878,534
Investment Income	132,178
Miscellaneous	300,761
Total Revenues	<u>52,991,018</u>
Expenditures	
Current	
General Government	4,880,382
Public Works	4,615,317
Public Safety	25,236,057
Community Development	6,539,418
Highways and Streets	—
Capital Outlay	—
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>41,271,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,719,844</u>
Other Financing Sources (Uses)	
Transfers In	30,000
Transfers Out	<u>(11,674,532)</u>
	<u>(11,644,532)</u>
Net Change in Fund Balances	75,312
Fund Balances - Beginning	<u>37,792,854</u>
Fund Balances - Ending	<u><u>37,868,166</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	
—	1,928,619	2,533,662	31,928,330	
2,355,699	—	826,049	23,421,092	
—	—	—	1,478,284	
—	—	2,100	2,497,968	
—	—	67,525	946,059	
46,277	68,999	140,030	387,484	
—	—	47,680	348,441	
2,401,976	1,997,618	3,617,046	61,007,658	
—	—	40,336	4,920,718	
—	—	—	4,615,317	
—	—	16,689	25,252,746	
—	29,353	200,739	6,769,510	
—	—	877,200	877,200	
2,264,761	25,156	6,212,904	8,502,821	
—	—	1,010,000	1,010,000	
—	—	428,000	428,000	
2,264,761	54,509	8,785,868	52,376,312	
137,215	1,943,109	(5,168,822)	8,631,346	
—	—	11,674,532	11,704,532	
—	—	(30,000)	(11,704,532)	
—	—	11,644,532	—	
137,215	1,943,109	6,475,710	8,631,346	
1,637,352	7,978,676	5,990,570	53,399,452	
1,774,567	9,921,785	12,466,280	62,030,798	

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, 2022**

Net Change in Fund Balances - Total Governmental Funds **\$ 8,631,346**

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	3,735,305
Depreciation Expense	(2,926,478)
Disposals - Cost	(364,309)
Disposals - Accumulated Depreciation	355,441
Less: Internal Service Funds	460,166

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. 545,878

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. 310,786

The change in equity interest in Hanover Square is reported only in the Statement of Activities 150,402

An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	3,191,805
Change in Net Pension Asset - SLEP	135,527

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

Change in Deferred Items - IMRF	(1,654,347)
Change in Deferred Items - SLEP	(61,315)
Change in Deferred Items - Police Pension	7,486,424
Change in Deferred Items - Firefighters' Pension	3,006,116
Change in Deferred Items - RBP	(2,904,688)

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	4,540
Change in Net Pension Liability - Police Pension	(7,806,962)
Change in Net Pension Liability - Firefighters' Pension	(3,436,966)
Change in Total OPEB Liability - RBP	2,634,359
Retirement of Debt - Net	1,179,879
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. 3,367

Changes in Net Position of Governmental Activities **12,654,954**

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, 2022

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2022

	Business-Type Activities			Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Commuter Parking Lot	Totals	
ASSETS				
Current Assets				
Cash and Investments	\$ 9,414,018	805,248	10,219,266	8,641,067
Receivables - Net of Allowances				
Accounts	1,129,125	—	1,129,125	—
Accrued Interest	434,026	22,635	456,661	36,646
Due from Other Governments	1,504,029	26,185	1,530,214	—
Prepays	10,126	—	10,126	2,669
Total Current Assets	12,491,324	854,068	13,345,392	8,680,382
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,108,854	1,317,517	2,426,371	—
Depreciable	47,765,539	2,479,477	50,245,016	13,187,992
Accumulated Depreciation	(24,538,937)	(1,437,190)	(25,976,127)	(7,823,945)
Total Noncurrent Assets	24,335,456	2,359,804	26,695,260	5,364,047
Other Assets				
Net Pension Asset - IMRF	1,504,866	88,036	1,592,902	—
Total Noncurrent Assets	25,840,322	2,447,840	28,288,162	5,364,047
Total Assets	38,331,646	3,301,908	41,633,554	14,044,429
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	617,518	36,126	653,644	—
Deferred Items - RBP	363,858	28,603	392,461	—
Deferred Items - ARO	320,983	—	320,983	—
Total Deferred Outflow of Resources	1,302,359	64,729	1,367,088	—
Total Assets and Deferred Outflow of Resources	39,634,005	3,366,637	43,000,642	14,044,429

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	\$ 1,095,066	70,629	1,165,695	188,735
Accrued Payroll	124,419	8,075	132,494	—
Other Payables	19,850	11,415	31,265	—
Advances from Other Funds	—	1,100,000	1,100,000	—
Compensated Absences Payable	7,241	—	7,241	—
Total Current Liabilities	1,246,576	1,190,119	2,436,695	188,735
Noncurrent Liabilities				
Compensated Absences Payable	137,580	—	137,580	—
Total OPEB Liability - RBP	1,153,931	90,710	1,244,641	—
Asset Retirement Obligation	350,000	—	350,000	—
Total Noncurrent Liabilities	1,641,511	90,710	1,732,221	—
Total Liabilities	2,888,087	1,280,829	4,168,916	188,735
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	2,309,209	135,091	2,444,300	—
Deferred Items - RBP	656,363	51,596	707,959	—
Total Deferred Inflows of Resources	2,965,572	186,687	3,152,259	—
Total Liabilities and Deferred Inflows of Resources	5,853,659	1,467,516	7,321,175	188,735
NET POSITION				
Investment in Capital Assets	24,335,456	2,359,804	26,695,260	5,364,047
Restricted - IMRF	1,504,866	88,036	1,592,902	—
Unrestricted (Deficit)	7,940,024	(548,719)	7,391,305	8,491,647
Total Net Position	33,780,346	1,899,121	35,679,467	13,855,694

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, 2022

	Business-Type Activities		Totals	Governmental Activities Internal Service
	Waterworks and Sewerage	Nonmajor Municipal Commuter Parking Lot		
Operating Revenues				
Charges for Services	\$ 10,177,941	102,844	10,280,785	—
Interfund Services	—	—	—	1,820,904
Total Operating Revenues	10,177,941	102,844	10,280,785	1,820,904
Operating Expenses				
Administrative	1,903,763	—	1,903,763	—
Operations	10,228,738	1,086,172	11,314,910	429,006
Depreciation and Amortization	1,001,508	78,586	1,080,094	961,899
Total Operating Expenses	13,134,009	1,164,758	14,298,767	1,390,905
Operating Income (Loss)	(2,956,068)	(1,061,914)	(4,017,982)	429,999
Nonoperating Revenues				
Infrastructure Charge	2,426,159	—	2,426,159	—
State Grants	—	713,093	713,093	—
Federal Grants - Operating	2,546,552	—	2,546,552	—
Other Grants	1,081	—	1,081	—
Investment Income	121,037	2,642	123,679	115,879
	5,094,829	715,735	5,810,564	115,879
Change in Net Position	2,138,761	(346,179)	1,792,582	545,878
Net Position - Beginning	31,641,585	2,245,300	33,886,885	13,309,816
Net Position - Ending	33,780,346	1,899,121	35,679,467	13,855,694

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, 2022**

	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	\$ 14,358,751	798,758	15,157,509	—
Interfund Services Provided	—	—	—	1,784,257
Payments to Suppliers	(10,545,942)	(143,503)	(10,689,445)	(412,404)
Payments to Employees	(1,819,961)	(95,535)	(1,915,496)	—
	<u>1,992,848</u>	<u>559,720</u>	<u>2,552,568</u>	<u>1,371,853</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	—	—	—	2,870
Purchase of Capital Assets	(4,256,088)	—	(4,256,088)	(504,602)
Interest and Fiscal Charges	—	—	—	—
Principal Retirement	—	—	—	—
	<u>(4,256,088)</u>	<u>—</u>	<u>(4,256,088)</u>	<u>(501,732)</u>
Cash Flows from Investing Activities				
Investment Income	121,037	2,642	123,679	115,879
Net Change in Cash and Cash Equivalents	(2,142,203)	562,362	(1,579,841)	986,000
Cash and Cash Equivalents - Beginning	11,556,221	242,886	11,799,107	7,655,067
Cash and Cash Equivalents - Ending	<u>9,414,018</u>	<u>805,248</u>	<u>10,219,266</u>	<u>8,641,067</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(2,956,068)	(1,061,914)	(4,017,982)	429,999
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	1,001,508	78,586	1,080,094	961,899
Other Income	4,496,264	693,063	5,189,327	—
(Increase) Decrease in Current Assets	(315,454)	2,851	(312,603)	(36,647)
Increase (Decrease) in Current Liabilities	(233,402)	847,134	613,732	16,602
Net Cash Provided by Operating Activities	<u>1,992,848</u>	<u>559,720</u>	<u>2,552,568</u>	<u>1,371,853</u>

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, 2022**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,612,978
Investments	
Illinois Police Officers' Pension Investment Fund	39,042,372
Illinois Firefighters' Pension Investment Fund	22,559,579
Due from Other Funds	680,087
Prepays	5,223
Total Assets	<u>65,900,239</u>
LIABILITIES	
Accounts Payable	<u>4,919</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>65,895,320</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, 2022

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 5,910,987
Contributions - Plan Members	956,352
Other	110,225
Total Contributions	<u>6,977,564</u>
Investment Earnings	
Interest Earned	746,795
Net Change in Fair Value	(9,379,284)
	<u>(8,632,489)</u>
Less Investment Expenses	(82,020)
Net Investment Income	<u>(8,714,509)</u>
Total Additions	<u>(1,736,945)</u>
Deductions	
Administration	5,395,564
Benefits and Refunds	113,000
Total Deductions	<u>5,508,564</u>
Change in Fiduciary Net Position	(7,245,509)
Net Position Restricted for Pensions	
Beginning	<u>73,140,829</u>
Ending	<u><u>65,895,320</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, 2022

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
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Discretely Presented Component Unit:	Hanover Square
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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, 2022

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, 2022. 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 with an acquisition 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 a consumption/acquisition of net assets 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, 2022

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, 2022

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.

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, 2022

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.

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$66,255,491 the bank balances totaled \$66,354,719. In addition, the Village has \$9,838,497 invested in Illinois Funds, \$128,445 invested in IMET, and \$50,383 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.

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.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

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).

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on November 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$2,214,388 and the bank balances totaled \$2,214,388.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. 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.. At year-end, \$207,271 of the bank balance of deposits is not covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$39,042,372 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (10.65%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ipopif.org. The Fund transferred all eligible assets to the IFPIF on January 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$1,398,590 and the bank balances totaled \$1,398,590.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. 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. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$22,559,579 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (14.25%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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 Governmental	\$ 675,480
Police Pension	General	436,913
Firefighters' Pension	General	243,174
		<u>1,355,567</u>

INTERFUND ADVANCES

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Business-Type	<u>\$ 1,100,000</u>

Interfund advances represents a loan from General Fund to the Municipal Commuter Parking Fund. These amounts will be paid over several years.

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	<u>11,674,532 (2)</u>
		<u>11,704,532</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.

PROPERTY TAXES

Property taxes for 2021 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, 2022

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	835,466	2,359,381	728,728	2,466,119
	<u>30,462,108</u>	<u>2,359,381</u>	<u>728,728</u>	<u>32,092,761</u>
Depreciable Capital Assets				
Buildings	31,916,423	—	—	31,916,423
Machinery, Equipment, and Vehicles	18,001,165	2,093,272	332,615	19,761,822
Improvements Other Than Buildings	9,460,073	11,380	31,694	9,439,759
Infrastructure	38,814,146	—	—	38,814,146
	<u>98,191,807</u>	<u>2,104,652</u>	<u>364,309</u>	<u>99,932,150</u>
Less Accumulated Depreciation				
Buildings	11,050,208	690,983	—	11,741,191
Machinery, Equipment, and Vehicles	10,444,517	1,267,624	323,747	11,388,394
Improvements Other Than Buildings	1,919,617	389,764	31,694	2,277,687
Infrastructure	28,015,990	578,107	—	28,594,097
	<u>51,430,332</u>	<u>2,926,478</u>	<u>355,441</u>	<u>54,001,369</u>
Total Net Depreciable Capital Assets	<u>46,761,475</u>	<u>(821,826)</u>	<u>8,868</u>	<u>45,930,781</u>
Total Net Capital Assets	<u>77,223,583</u>	<u>1,537,555</u>	<u>737,596</u>	<u>78,023,542</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,397,893
Public Works	566,686
Internal Service	<u>961,899</u>
	<u>2,926,478</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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	143,252	57,039	28,554	171,737
	<u>2,397,886</u>	<u>57,039</u>	<u>28,554</u>	<u>2,426,371</u>
Depreciable Capital Assets				
Buildings and Structures	12,662,864	—	—	12,662,864
Machinery, Equipment, and Vehicles	3,489,364	45,312	76,860	3,457,816
Improvements Other Than Buildings	10,651,355	—	—	10,651,355
Underground Systems	19,290,690	4,182,291	—	23,472,981
	<u>46,094,273</u>	<u>4,227,603</u>	<u>76,860</u>	<u>50,245,016</u>
Less Accumulated Depreciation				
Buildings and Structures	7,290,985	245,555	—	7,536,540
Machinery, Equipment, and Vehicles	2,819,116	121,889	76,860	2,864,145
Improvements Other Than Buildings	6,621,154	337,667	—	6,958,821
Underground Systems	8,248,892	367,729	—	8,616,621
	<u>24,980,147</u>	<u>1,072,840</u>	<u>76,860</u>	<u>25,976,127</u>
Total Net Depreciable Capital Assets	<u>21,114,126</u>	<u>3,154,763</u>	<u>—</u>	<u>24,268,889</u>
Total Net Capital Assets	<u>23,512,012</u>	<u>3,211,802</u>	<u>28,554</u>	<u>26,695,260</u>

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

Waterworks and Sewerage	\$ 994,254
Municipal Railroad Parking Lot	<u>78,586</u>
	<u>1,072,840</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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	1,143,486	263,810	—	1,407,296
Total Net Depreciable Capital Assets	5,804,057	(263,810)	—	5,540,247
Total Net Capital Assets	6,821,145	(263,810)	—	6,557,335

Depreciation expense of \$263,810 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
Entryway Signs	\$ 266,810	84,701	182,109
2022 Infrastructure Improvement	6,452,763	5,947,217	505,546
Devon - Ontarioville Resurfacing	130,835	—	130,835
MWRD Ballfields Project	1,781,745	1,631,162	150,583
	8,632,153	7,663,080	969,073

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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	10,700,000	—	1,010,000	9,690,000

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, 2022, the outstanding balance was \$2,979,155.

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, 2022, the outstanding balance was \$813,523.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements
December 31, 2022

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	\$ 838,455	4,540	9,080	833,915	41,696
Net Pension Liability - Police	25,410,687	7,806,962	—	33,217,649	—
Net Pension Liability - Fire	13,572,742	3,436,966	—	17,009,708	—
Total OPEB Liability - RBP	8,338,543	—	2,634,359	5,704,184	—
General Obligation Bonds	10,700,000	—	1,010,000	9,690,000	1,050,000
Plus: Unamortized Premium	1,528,916	—	169,879	1,359,037	—
	<u>60,389,343</u>	<u>11,248,468</u>	<u>3,823,318</u>	<u>67,814,493</u>	<u>1,091,696</u>
Business-Type Activities					
Compensated Absences	151,756	6,935	13,870	144,821	7,241
Total OPEB Liability - RBP	1,657,653	—	413,012	1,244,641	—
Asset Retirement Obligation	350,000	—	—	350,000	—
	<u>2,159,409</u>	<u>6,935</u>	<u>426,882</u>	<u>1,739,462</u>	<u>7,241</u>
Component Unit - Hanover Square					
Wintrust Line of Credit	3,128,112	—	148,957	2,979,155	148,957
Wintrust Construction Line of Credit	831,128	—	17,605	813,523	17,605
	<u>3,959,240</u>	<u>—</u>	<u>166,562</u>	<u>3,792,678</u>	<u>166,562</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 (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
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	9,690,000	1,824,200

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 37 to 54 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 Board; 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 Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Village Board itself or b) a body or official to which the Village Board 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, 2022

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	\$ 20,173	—	—	—	20,173
Inventories	35,001	—	—	—	35,001
	<u>55,174</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>55,174</u>
Restricted					
Public Safety	—	—	—	493,763	493,763
Highways and Streets	—	1,774,567	—	1,983,528	3,758,095
Community Development	—	—	9,921,785	1,754,270	11,676,055
Debt Service	—	—	—	521,098	521,098
Special Service Areas	—	—	—	346,215	346,215
	<u>—</u>	<u>1,774,567</u>	<u>9,921,785</u>	<u>5,098,874</u>	<u>16,795,226</u>
Assigned					
Capital Improvements	—	—	—	7,367,406	7,367,406
Unassigned					
	<u>37,812,992</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>37,812,992</u>
Total Fund Balances	<u>37,868,166</u>	<u>1,774,567</u>	<u>9,921,785</u>	<u>12,466,280</u>	<u>62,030,798</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 78,023,542
Plus: Unamortized Loss on Refunding	170,578
Less Capital Related Debt:	
General Obligation Bonds	(9,690,000)
Unamortized Premium	(1,359,037)
	<hr/>
Net Investment in Capital Assets	<u>67,145,083</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	26,695,260
Less Capital Related Debt:	<hr/>
	<u>26,695,260</u>
Component Unit - Hanover Square	
Capital Assets - Net of Accumulated Depreciation	6,557,335
Less Capital Related Debt:	
Line of Credit	(3,792,678)
	<hr/>
Net Investment in Capital Assets	<u>2,764,657</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, 2022

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.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022.

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 \$1,125,561 as of December 31, 2022

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, 2022 was \$5,704,843. A liability of \$3,654,628 has been reported as of December 31, 2022 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, 2022 is \$31,641,568.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022 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, 2022

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 \$5,464,943 to JAWA for the year ended December 31, 2022. All payments were paid from the Waterworks and Sewerage Fund.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
IMRF					
Regular	\$ (1,386,134)	4,970,331	—	2,066,964	7,626,946
SLEP	(74,212)	497,811	—	—	157,360
Police Pension	4,117,921	—	33,217,649	8,375,337	970,338
Firefighters' Pension	2,544,454	—	17,009,708	5,328,650	1,712,149
	<u>5,202,029</u>	<u>5,468,142</u>	<u>50,227,357</u>	<u>15,770,951</u>	<u>10,466,793</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, 2022

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, 2021, the measurement date, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>
Inactive Plan Members Currently Receiving Benefits	144	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	87	—
Active Plan Members	<u>99</u>	<u>—</u>
Total	<u><u>330</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, 2022, the Village's contribution was 10.69% 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, 2022

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, 2021. 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, 2021, 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	3.25%	3.25%
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, 2022

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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

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		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	1,250,109	(4,970,331)	(10,012,886)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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)	\$ (443,276)	(497,811)	(545,190)

Changes in the Net Pension (Asset) - Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 55,421,394	55,692,433	(271,039)
Changes for the Year:			
Service Cost	669,361	—	669,361
Interest on the Total Pension Liability	3,921,847	—	3,921,847
Difference between Expected and Actual Experience of the total Pension Liability	1,703,369	—	1,703,369
Changes in Assumptions	—	—	—
Contributions - Employer	—	958,620	(958,620)
Contributions - Employees	—	354,735	(354,735)
Net Investment Income	—	9,547,565	(9,547,565)
Benefit Payments, Including Refunds of Employee Contributions	(3,323,261)	(3,323,261)	—
Other (Net Transfer)	—	132,949	(132,949)
Net Changes	2,971,316	7,670,608	(4,699,292)
Balances at December 31, 2021	58,392,710	63,363,041	(4,970,331)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2020	\$ 624,364	986,648	(362,284)
Changes for the Year:			
Service Cost	—	—	—
Interest on the Total Pension Liability	43,351	—	43,351
Difference between Expected and Actual Experience of the total Pension Liability	7,179	—	7,179
Changes in Assumptions	—	—	—
Contributions - Employer	—	—	—
Contributions - Employees	—	—	—
Net Investment Income	—	185,371	(185,371)
Benefit Payments, Including Refunds of Employee Contributions	(52,839)	(52,839)	—
Other (Net Transfer)	—	686	(686)
Net Changes	(2,309)	133,218	(135,527)
Balances at December 31, 2021	622,055	1,119,866	(497,811)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized pension revenue of \$1,386,134 for the Regular Plan and a pension revenue of \$74,212 for the SLEP Plan. At December 31, 2022, 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	\$ 1,225,604	(82,995)	—	—	1,142,609
Change in Assumptions	—	(74,005)	—	—	(74,005)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(7,469,946)	—	(157,360)	(7,627,306)
Total Pension Expense to be Recognized in Future Periods	1,225,604	(7,626,946)	—	(157,360)	(6,558,702)
Pension Contributions Made Subsequent to the Measurement Date	841,360	—	—	—	841,360
Total Deferred Amounts Related to IMRF & SLEP	2,066,964	(7,626,946)	—	(157,360)	(5,717,342)

\$841,360 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, 2023. 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	\$ (1,168,544)	(34,413)	(1,202,957)
2023	(2,334,255)	(61,124)	(2,395,379)
2024	(1,782,964)	(38,677)	(1,821,641)
2025	(1,115,579)	(23,146)	(1,138,725)
2026	—	—	—
Thereafter	—	—	—
Totals	(6,401,342)	(157,360)	(6,558,702)

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	48
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>61</u>
Total	<u><u>118</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, 2022

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 or $\frac{1}{2}$ 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, 2022, the Village's contribution was 60.08% 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, 2022

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, 2022, 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 adjusted for plan status, demographics, and Illinois public pension data, as described.

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	\$ 44,369,791	33,217,649	24,174,837

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2021	\$ 70,845,432	45,434,745	25,410,687
Changes for the Year:			
Service Cost	1,184,197	—	1,184,197
Interest on the Total Pension Liability	4,764,422	—	4,764,422
Changes of Benefit Terms	(54,506)	—	(54,506)
Difference Between Expected and Actual Experience of the Total Pension Liability	1,445,290	—	1,445,290
Changes of Assumptions	204,999	—	204,999
Contributions - Employer	—	3,797,383	(3,797,383)
Contributions - Employees	—	632,651	(632,651)
Contributions - Other	—	110,225	(110,225)
Net Investment Income	—	(4,735,429)	4,735,429
Benefit Payments, Including Refunds of Employee Contributions	(3,477,789)	(3,477,789)	—
Other (Net Transfer)		(67,390)	67,390
Net Changes	4,066,613	(3,740,349)	7,806,962
Balances at December 31, 2022	74,912,045	41,694,396	33,217,649

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized pension expense of \$4,117,921. At December 31, 2022, 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	\$ 3,156,332	(753,756)	2,402,576
Change in Assumptions	1,208,831	(216,582)	992,249
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,010,174	—	4,010,174
 Total Deferred Amounts Related to Police Pension	 <u>8,375,337</u>	 <u>(970,338)</u>	 <u>7,404,999</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 of Resources
2023	\$ 1,147,468
2024	1,656,130
2025	1,594,344
2026	2,087,085
2027	486,326
Thereafter	<u>433,646</u>
Total	<u><u>7,404,999</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	12
Active Plan Members	<u>35</u>
Total	<u><u>77</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 ½ 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, 2022

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 ½ 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., ½ 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 or ½ of the change in the Consumer Price Index for the preceding 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, 2022, the Village's contribution was 58.45% 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, 2022

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, 2022, 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	\$ 23,090,794	17,009,708	17,009,708

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2021	\$ 41,278,826	27,706,084	13,572,742
Changes for the Year:			
Service Cost	891,127	—	891,127
Interest on the Total Pension Liability	2,727,263	—	2,727,263
Changes of Benefit Terms	(97,683)	—	(97,683)
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,832,967)	—	(1,832,967)
Changes of Assumptions	161,841	—	161,841
Contributions - Employer	—	2,113,604	(2,113,604)
Contributions - Employees	—	323,701	(323,701)
Contributions - Other	—	—	—
Net Investment Income	—	(3,979,080)	3,979,080
Benefit Payments, Including Refunds of Employee Contributions	(1,917,775)	(1,917,775)	—
Other (Net Transfer)	—	(45,610)	45,610
Net Changes	(68,194)	(3,505,160)	3,436,966
Balances at December 31, 2022	41,210,632	24,200,924	17,009,708

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized pension expense of \$2,544,454. At December 31, 2022, 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	\$ 1,311,876	(1,558,908)	(247,032)
Change in Assumptions	673,755	(153,241)	520,514
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,343,019	—	3,343,019
Total Deferred Amounts Related to Firefighters' Pension	<u>5,328,650</u>	<u>(1,712,149)</u>	<u>3,616,501</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
2023	\$ 684,507
2024	950,506
2025	953,421
2026	1,267,211
2027	(154,532)
Thereafter	<u>(84,612)</u>
Total	<u>3,616,501</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, 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, 2022, and was determined by an actuarial valuation as of that date.

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	3.72%
Healthcare Cost Trend Rates	4.10% in 2022, with an Ultimate Trend Rate of 5.00%
Retirees' Share of Benefit-Related Costs	Retirees

The discount rate was based on combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

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, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2021	<u>\$ 9,996,196</u>
Changes for the Year:	
Service Cost	582,589
Interest on the Total OPEB Liability	203,248
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(1,450,009)
Changes of Assumptions or Other Inputs	(2,123,644)
Benefit Payments	<u>(259,555)</u>
Net Changes	<u>(3,047,371)</u>
Balances at December 31, 2022	<u><u>6,948,825</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 3.72%, while the prior valuation used 2.06%. 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 (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$ 7,889,747	6,948,825	6,178,896

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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	\$ 5,991,518	6,948,825	8,166,148

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$722,362. At December 31, 2022, 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	\$ 85,413	(1,336,371)	(1,250,958)
Change in Assumptions	2,105,696	(2,616,162)	(510,466)
Net Difference Between Projected and Actual	—	—	—
Total Deferred Amounts Related to OPEB	<u>2,191,109</u>	<u>(3,952,533)</u>	<u>(1,761,424)</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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 (Inflows) of Resources
2023	\$ (63,475)
2024	(63,475)
2025	(63,475)
2026	(63,475)
2027	(63,475)
Thereafter	<u>(1,444,049)</u>
Total	<u><u>(1,761,424)</u></u>

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 (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, 2022**

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%
2022	841,360	841,360	—	7,873,728	10.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022

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
2022	—	—	—	—	N/A

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022**

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%
2022	3,771,615	3,797,383	25,768	6,320,639	60.08%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	100% Funded over 12.42 Years (Layered)
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Retirement Age	2020 Illinois Police Retirement Rates Capped at Age 65
Mortality	PubS-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

VILLAGE OF HANOVER PARK, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
December 31, 2022**

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%
2022	2,099,433	2,113,604	14,171	3,616,290	58.45%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	100% Funded over 12.35 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.250%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Retirement Age	2020 Illinois Police Retirement Rates Capped at Age 65
Mortality	PubS-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

VILLAGE OF HANOVER PARK, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

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

December 31, 2022

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, 2022

	<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	12/31/2021
650,191	707,092	726,316	695,329	729,567	764,839	669,361
3,333,582	3,533,657	3,562,670	3,553,263	3,646,223	3,851,402	3,921,847
856,622	(1,609,789)	(547,766)	(111,902)	1,290,861	(222,297)	1,703,369
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)	(3,323,261)
2,813,998	189,861	(51,317)	3,004,328	2,987,569	1,166,341	2,971,316
45,310,614	48,124,612	48,314,473	48,263,156	51,267,484	54,255,053	55,421,394
48,124,612	48,314,473	48,263,156	51,267,484	54,255,053	55,421,394	58,392,710
888,579	950,875	977,967	936,901	775,040	893,629	958,620
316,164	305,421	324,714	324,812	341,930	361,530	354,735
201,816	2,772,593	7,317,983	(2,568,462)	8,107,687	7,259,720	9,547,565
(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)	(3,029,386)	(3,323,261)
331,390	(1,139,027)	(989,389)	636,938	510,225	(91,027)	132,949
(400,272)	669,650	5,280,554	(3,137,759)	7,055,800	5,394,466	7,670,608
40,829,994	40,429,722	41,099,372	46,379,926	43,242,167	50,297,967	55,692,433
40,429,722	41,099,372	46,379,926	43,242,167	50,297,967	55,692,433	63,363,041
7,694,890	7,215,101	1,883,230	8,025,317	3,957,086	(271,039)	(4,970,331)
84.01%	85.07%	96.10%	84.35%	92.71%	100.49%	108.51%
6,543,294	6,787,117	7,129,096	7,218,031	7,598,438	7,283,037	7,632,327
117.60%	106.31%	26.42%	111.18%	52.08%	(3.72%)	(65.12%)

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, 2022

	<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	12/31/2021
—	—	—	—	—	—	—
44,500	44,719	44,892	43,788	43,316	43,244	43,351
4,854	5,169	5,481	6,131	6,779	7,326	7,179
—	—	(16,371)	13,607	—	3,163	—
(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)	(52,839)
3,501	2,871	(14,141)	14,213	(403)	2,058	(2,309)
616,265	619,766	622,637	608,496	622,709	622,306	624,364
619,766	622,637	608,496	622,709	622,306	624,364	622,055
—	—	—	—	—	—	—
—	—	—	—	—	—	—
3,360	52,097	155,674	(69,668)	166,163	140,478	185,371
(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)	(52,839)
20,078	95,708	(14,355)	20,080	3,410	11,192	686
(22,415)	100,788	93,176	(98,901)	119,075	99,995	133,218
694,930	672,515	773,303	866,479	767,578	886,653	986,648
672,515	773,303	866,479	767,578	886,653	986,648	1,119,866
(52,749)	(150,666)	(257,983)	(144,869)	(264,347)	(362,284)	(497,811)
108.51%	124.20%	142.40%	123.26%	142.48%	158.02%	180.03%
—	—	—	—	—	—	—
—%	—%	—%	—%	—%	—%	—%

VILLAGE OF HANOVER PARK, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 826,153	933,500
Interest	2,120,601	3,388,095
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(74,557)	(1,191,861)
Change of Assumptions	884,268	1,065,729
Benefit Payments, Including Refunds of Member Contributions	1,164,414	(1,952,464)
Administrative Expense	—	—
Net Change in Total Pension Liability	4,920,879	2,242,999
Total Pension Liability - Beginning	44,456,711	49,377,590
Total Pension Liability - Ending	49,377,590	51,620,589
Plan Fiduciary Net Position		
Contributions - Employer	1,275,435	2,078,956
Contributions - Members	323,746	510,565
Contributions - Other	—	—
Net Investment Income	415,166	(492,361)
Benefit Payments, Including Refunds of Member Contributions	(1,164,414)	(1,952,464)
Administrative Expenses	(50,938)	(29,889)
Net Change in Plan Fiduciary Net Position	798,995	114,807
Plan Net Position - Beginning	26,222,203	27,021,198
Plan Net Position - Ending	27,021,198	27,136,005
Employer's Net Pension Liability	\$ 22,356,392	24,484,584
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.72%	52.57%
Covered Payroll	\$ 5,101,739	5,020,825
Employer's Net Pension Liability as a Percentage of Covered Payroll	438.21%	487.66%

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.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/30/2020	12/31/2021	12/31/2022
957,853	963,023	1,030,435	1,057,469	1,134,336	1,318,728	1,184,197
3,535,205	3,765,976	3,976,549	4,127,425	4,542,986	4,736,247	4,764,422
—	—	—	497,177	—	—	(54,506)
493,707	836,552	(116,138)	1,465,219	1,078,943	(781,965)	1,445,290
697,595	—	—	1,357,340	—	(304,786)	204,999
(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)	(3,477,789)
—	—	—	—	—	(63,547)	—
3,449,025	3,025,635	2,316,031	5,608,501	3,595,682	1,229,969	4,066,613
51,620,589	55,069,614	58,095,249	60,411,280	66,019,781	69,615,463	70,845,432
55,069,614	58,095,249	60,411,280	66,019,781	69,615,463	70,845,432	74,912,045
2,153,658	2,300,432	2,477,582	2,658,387	2,897,330	3,481,268	3,797,383
508,475	509,894	547,137	625,248	555,842	529,397	632,651
11,811	7,378	—	—	568	53,061	110,225
2,266,438	3,350,793	(2,484,821)	4,754,224	2,838,277	5,652,178	(4,735,429)
(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)	(3,477,789)
(40,102)	(50,125)	(47,871)	(50,722)	(61,964)	(63,547)	(67,390)
2,664,945	3,578,456	(2,082,788)	5,091,008	3,069,470	5,977,649	(3,740,349)
27,136,005	29,800,950	33,379,406	31,296,618	36,387,626	39,457,096	45,434,745
29,800,950	33,379,406	31,296,618	36,387,626	39,457,096	45,434,745	41,694,396
25,268,664	24,715,843	29,114,662	29,632,155	30,158,367	25,410,687	33,217,649
54.12%	57.46%	51.81%	55.12%	56.68%	64.13%	55.66%
5,140,730	5,341,112	5,242,425	5,243,756	5,733,666	5,376,171	6,320,639
491.54%	462.75%	555.37%	565.09%	525.99%	472.65%	525.54%

VILLAGE OF HANOVER PARK, ILLINOIS

Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2022

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 534,054	697,712
Interest	1,153,817	1,787,834
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	(123,447)	(121,544)
Change of Assumptions	(297,826)	517,009
Benefit Payments, Including Refunds of Member Contributions	593,064	(975,580)
Administrative Expenses	—	—
Net Change in Total Pension Liability	1,859,662	1,905,431
Total Pension Liability - Beginning	24,168,610	26,028,272
Total Pension Liability - Ending	26,028,272	27,933,703
Plan Fiduciary Net Position		
Contributions - Employer	714,492	1,164,625
Contributions - Members	184,034	293,937
Contributions - Other	—	—
Net Investment Income	237,412	(295,023)
Benefit Payments, Including Refunds of Member Contributions	(593,064)	(975,580)
Administrative Expenses	(33,424)	(25,611)
Net Change in Plan Fiduciary Net Position	509,450	162,348
Plan Net Position - Beginning	14,815,557	15,325,007
Plan Net Position - Ending	15,325,007	15,487,355
Employer's Net Pension Liability	\$ 10,703,265	12,446,348
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.88%	55.44%
Covered Payroll	\$ 2,980,239	2,965,597
Employer's Net Pension Liability as a Percentage of Covered Payroll	359.14%	419.69%

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.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/30/2020	12/31/2021	12/31/2022
789,376	802,166	858,318	825,155	883,281	996,009	891,127
1,917,310	2,052,799	2,167,052	2,314,830	2,476,269	2,630,397	2,727,263
—	—	—	285,475	—	—	(97,683)
558,032	106,820	544,169	120,121	62,411	1,134,455	(1,832,967)
(160,539)	—	—	884,261	—	(160,093)	161,841
(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)	(1,917,775)
—	—	—	—	—	(73,909)	—
2,017,068	1,711,630	2,160,501	2,922,030	1,783,475	2,750,419	(68,194)
27,933,703	29,950,771	31,662,401	33,822,902	36,744,932	38,528,407	41,278,826
29,950,771	31,662,401	33,822,902	36,744,932	38,528,407	41,278,826	41,210,632
1,220,758	1,380,568	1,527,385	1,615,441	1,740,298	2,045,357	2,113,604
293,235	297,440	313,564	325,933	321,125	347,350	323,701
109	—	—	—	3,873	41,076	—
1,308,890	1,970,968	(1,484,133)	2,805,517	1,646,028	3,442,662	(3,979,080)
(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)	(1,917,775)
(25,152)	(38,591)	(45,159)	(44,266)	(48,596)	(73,909)	(45,610)
1,710,729	2,360,230	(1,097,381)	3,194,813	2,024,242	4,026,096	(3,505,160)
15,487,355	17,198,084	19,558,314	18,460,933	21,655,746	23,679,988	27,706,084
17,198,084	19,558,314	18,460,933	21,655,746	23,679,988	27,706,084	24,200,924
12,752,687	12,104,087	15,361,969	15,089,186	14,848,419	13,572,742	17,009,708
57.42%	61.77%	54.58%	58.94%	61.46%	67.12%	58.72%
3,115,991	3,183,775	3,241,631	3,346,426	3,506,100	3,485,097	3,616,290
409.27%	380.18%	473.90%	450.90%	423.50%	389.45%	470.36%

VILLAGE OF HANOVER PARK, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2022**

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 %
2022	(10.65 %)

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, 2022**

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%
2022	(14.25%)

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, 2022

	<u>12/31/2018</u>
Total OPEB Liability	
Service Cost	\$ 220,378
Interest	223,062
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(590,417)
Benefit Payments	<u>(294,312)</u>
Net Change in Total OPEB Liability	(441,289)
Total OPEB Liability - Beginning	<u>6,627,403</u>
Total OPEB Liability - Ending	<u><u>6,186,114</u></u>
Covered-Employee Payroll	\$ 15,750,457
Total OPEB Liability as a Percentage of Covered-Employee Payroll	39.28%

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 2022.

12/31/2019	12/31/2020	12/31/2021	12/31/2022
195,099	255,215	584,904	582,589
247,704	234,820	206,809	203,248
—	111,039	—	—
—	—	—	(1,450,009)
2,377,075	856,682	(422,722)	(2,123,644)
(291,069)	(289,674)	(255,800)	(259,555)
2,528,809	1,168,082	113,191	(3,047,371)
6,186,114	8,714,923	9,883,005	9,996,196
8,714,923	9,883,005	9,996,196	6,948,825
16,681,390	15,802,144	16,276,208	16,831,342
52.24%	62.54%	61.42%	41.29%

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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 23,521,196	23,521,196	27,466,049
Intergovernmental	16,215,580	16,215,580	20,239,344
Licenses and Permits	1,245,600	1,245,600	1,478,284
Charges for Services	2,207,734	2,207,734	2,495,868
Fines and Forfeitures	871,000	871,000	878,534
Investment Income	20,500	20,500	132,178
Miscellaneous	99,701	99,701	300,761
Total Revenues	<u>44,181,311</u>	<u>44,181,311</u>	<u>52,991,018</u>
Expenditures			
General Government	5,016,142	5,015,142	4,880,382
Public Works	4,723,739	4,723,739	4,615,317
Public Safety	25,309,812	25,309,812	25,236,057
Community Development	5,250,113	7,450,113	6,539,418
Total Expenditures	<u>40,299,806</u>	<u>42,498,806</u>	<u>41,271,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,881,505</u>	<u>1,682,505</u>	<u>11,719,844</u>
Other Financing Sources (Uses)			
Transfers In	30,000	30,000	30,000
Transfers Out	(9,474,532)	(12,474,532)	(11,674,532)
	<u>(9,444,532)</u>	<u>(12,444,532)</u>	<u>(11,644,532)</u>
Net Change in Fund Balance	<u>(5,563,027)</u>	<u>(10,762,027)</u>	75,312
Fund Balance - Beginning as Restated			<u>37,792,854</u>
Fund Balance - Ending			<u>37,868,166</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,400,000	1,400,000	1,521,509
State Grants	834,190	834,190	834,190
Investment Income	200	200	46,277
Total Revenues	<u>2,234,390</u>	<u>2,234,390</u>	<u>2,401,976</u>
Expenditures			
Capital Outlay	<u>2,334,000</u>	<u>2,603,708</u>	<u>2,264,761</u>
Net Change in Fund Balance	<u>(99,610)</u>	<u>(369,318)</u>	137,215
Fund Balance - Beginning			<u>1,637,352</u>
Fund Balance - Ending			<u>1,774,567</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,870,000	1,870,000	1,928,619
Investment Income	4,000	4,000	68,999
Total Revenues	<u>1,874,000</u>	<u>1,874,000</u>	<u>1,997,618</u>
Expenditures			
Community Development			
Commodities	8,000	8,000	4,508
Contractual Services	717,000	717,000	24,845
Capital Outlay	442,000	1,571,432	25,156
Total Expenditures	<u>1,167,000</u>	<u>2,296,432</u>	<u>54,509</u>
Net Change in Fund Balance	<u>707,000</u>	<u>(422,432)</u>	1,943,109
Fund Balance - Beginning			<u>7,978,676</u>
Fund Balance - Ending			<u>9,921,785</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, 2022

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 11,945,696	11,945,696	12,010,176
Home Rule Sales Taxes	8,200,000	8,200,000	11,273,479
Utility - Simplified Telephone	300,000	300,000	295,421
Utility - Electric	965,000	965,000	937,296
Utility - Natural Gas	416,000	416,000	437,122
Real Estate Transfer Taxes	400,000	400,000	797,474
Hotel and Motel Taxes	44,500	44,500	57,582
Prepared Food Taxes	1,250,000	1,250,000	1,657,306
Push Taxes	—	—	193
Total Taxes	23,521,196	23,521,196	27,466,049
Intergovernmental			
Sales Taxes	10,000,000	10,000,000	11,915,838
Use Taxes	1,375,000	1,375,000	1,518,590
State Income Taxes	4,300,000	4,300,000	6,105,635
Replacement Taxes	90,000	90,000	320,837
Cannabis Taxes	40,000	40,000	60,282
Video Gaming Taxes	195,000	195,000	227,958
Auto Rental Taxes	10,000	10,000	17,838
Federal Grants	146,000	146,000	11,675
Other Grants	2,220	2,220	5,050
Reimbursement - DuPage County	16,910	16,910	20,030
Reimbursement - ILEAS	450	450	—
Reimbursement - Police	25,000	25,000	33,416
Reimbursement - Fire	15,000	15,000	2,195
Total Intergovernmental	16,215,580	16,215,580	20,239,344
Licenses and Permits			
Licenses			
Business	82,000	82,000	64,810
Liquor	64,000	64,000	66,707
Contractor	40,000	40,000	51,185
Vendor/Solicitor	300	300	450
Penalties on Licenses	25,000	25,000	33,925
Multi Family	98,100	98,100	106,875
Single Family	85,000	85,000	66,800
Land Use Development	—	—	6,075

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Licenses and Permits - Continued			
Licenses - Continued			
Cable Franchise Fee	\$ 350,000	350,000	322,749
Solid Waste Franchise Fee	110,000	110,000	124,837
Permits			
Building	305,000	305,000	548,763
Sign	700	700	1,108
Video Game	85,500	85,500	84,000
Total Licenses and Permits	<u>1,245,600</u>	<u>1,245,600</u>	<u>1,478,284</u>
Charges for Services			
Printed Materials	7,000	7,000	5,688
Ambulance Fees	900,000	900,000	986,617
Ground Emergency Medical Transport	300,000	300,000	594,310
Plan Review - Engineer Fees	1,000	1,000	2,615
Plan Review - Inspection Service Fees	65,000	65,000	101,409
Building Reinspection Fees	300	300	650
Immobilization Fees	2,400	2,400	2,550
CPR Fees	3,500	3,500	3,960
Vehicle Impound Fees	450,000	450,000	314,508
ADT Administrative Fees	6,900	6,900	7,892
Child Safety Seat Install Fees	—	—	105
Elevator Inspection Fee	—	—	(93)
Rental Income	344,134	344,134	356,461
Overweight Vehicle Fee	7,500	7,500	35,183
Foreclosure Registration Fee	70,000	70,000	49,844
Renewable Green Energy	50,000	50,000	34,169
Total Charges for Services	<u>2,207,734</u>	<u>2,207,734</u>	<u>2,495,868</u>
Fines and Forfeitures			
Traffic Fines - Cook	15,000	15,000	13,942
Traffic Fines - DuPage	210,000	210,000	260,689
Ordinance Violations	502,000	502,000	486,170
Police False Alarm Fines	1,000	1,000	3,225
Fire False Alarm Fines	2,000	2,000	9,150
Red Light Camera	140,000	140,000	104,348
Kennel Fees	1,000	1,000	1,010
Total Fines and Forfeitures	<u>871,000</u>	<u>871,000</u>	<u>878,534</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Investment Income	\$ 20,500	20,500	132,178
Miscellaneous			
Reimbursements	34,500	34,500	184,837
Corporate Partnership Program	10,000	10,000	10,913
Central Equipment Funding - Water and Sewer	10,201	10,201	10,201
Other	45,000	45,000	94,810
Total Miscellaneous	99,701	99,701	300,761
Total Revenues	44,181,311	44,181,311	52,991,018

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
General Government			
President and Board of Trustees			
Personal Services	\$ 74,376	74,376	74,446
Commodities	53,120	53,120	54,828
Contractual Services	25,320	25,320	21,878
	<u>152,816</u>	<u>152,816</u>	<u>151,152</u>
Village Clerk			
Personal Services	97,702	97,702	100,876
Commodities	3,035	3,035	3,688
Contractual Services	35,095	35,095	31,534
	<u>135,832</u>	<u>135,832</u>	<u>136,098</u>
Environmental Committee			
Commodities	25	25	—
Contractual Services	1,000	1,000	1,084
	<u>1,025</u>	<u>1,025</u>	<u>1,084</u>
Special Events Committee			
Contractual Services	47,000	47,000	50,801
	<u>47,000</u>	<u>47,000</u>	<u>50,801</u>
Historical Commission			
Commodities	1,700	1,700	90
Contractual Services	650	650	—
	<u>2,350</u>	<u>2,350</u>	<u>90</u>
Cultural Inclusion and Diversity Committee			
Commodities	200	200	—
Contractual Services	3,550	2,550	281
	<u>3,750</u>	<u>2,750</u>	<u>281</u>
Sister Cities Committee			
Commodities	770	770	660
Contractual Services	5,350	5,350	4,212
	<u>6,120</u>	<u>6,120</u>	<u>4,872</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
General Government - Continued			
Commodities	\$ 8,000	8,000	1,800
Contractual Services	1,500	1,500	250
	<u>9,500</u>	<u>9,500</u>	<u>2,050</u>
Development Commission			
Commodities	300	300	285
Contractual Services	450	450	575
	<u>750</u>	<u>750</u>	<u>860</u>
Economic Development Committee			
Commodities	1,060	1,060	580
Contractual Services	4,150	4,150	3,196
	<u>5,210</u>	<u>5,210</u>	<u>3,776</u>
Finance Department Administration			
Personal Services	190,504	190,504	196,600
Commodities	2,395	2,395	6,665
Contractual Services	8,913	8,913	10,950
	<u>201,812</u>	<u>201,812</u>	<u>214,215</u>
Collections			
Personal Services	173,938	173,938	156,573
Commodities	10,150	10,150	8,894
Contractual Services	775	775	384
	<u>184,863</u>	<u>184,863</u>	<u>165,851</u>
General Accounting			
Personal Services	160,747	160,747	162,774
Commodities	2,025	2,025	1,525
Contractual Services	51,185	51,185	45,915
	<u>213,957</u>	<u>213,957</u>	<u>210,214</u>
General Administrative Services			
Personal Services	104,018	104,018	118,653
Contractual Services	1,224,186	1,224,186	1,206,782
	<u>1,328,204</u>	<u>1,328,204</u>	<u>1,325,435</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
General Government - Continued			
COVID-19			
Personal Services	\$ —	—	5,233
Commodities	—	—	3,323
Contractual Services	—	—	440
	—	—	8,996
Village Manager			
Personal Services	597,426	597,426	595,001
Commodities	19,338	19,338	27,140
Contractual Services	68,805	68,805	59,239
	685,569	685,569	681,380
Human Resources			
Personal Services	386,197	386,197	308,933
Commodities	32,554	32,554	33,160
Contractual Services	151,275	151,275	136,812
	570,026	570,026	478,905
Information Technology			
Personal Services	289,278	289,278	287,251
Commodities	64,548	64,548	52,037
Contractual Services	1,113,532	1,113,532	1,105,034
	1,467,358	1,467,358	1,444,322
Total General Government			
	5,016,142	5,015,142	4,880,382
Public Works			
Administration			
Personal Services	155,706	155,706	167,688
Commodities	1,345	1,345	2,284
Contractual Services	14,050	14,050	13,604
	171,101	171,101	183,576
Streets			
Personal Services	1,161,003	1,161,003	1,134,417
Commodities	146,245	146,245	120,075
Contractual Services	414,107	414,107	417,179
	1,721,355	1,721,355	1,671,671

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Public Works - Continued			
Forestry			
Personal Services	\$ 327,934	327,934	239,242
Commodities	16,150	16,150	16,833
Contractual Services	372,228	372,228	296,651
	<u>716,312</u>	<u>716,312</u>	<u>552,726</u>
Public Buildings			
Personal Services	361,181	361,181	371,059
Commodities	91,175	91,175	99,213
Contractual Services	235,578	235,578	282,274
	<u>687,934</u>	<u>687,934</u>	<u>752,546</u>
Fleet Services			
Personal Services	454,544	454,544	425,489
Commodities	365,920	365,920	498,386
Contractual Services	109,363	109,363	82,669
	<u>929,827</u>	<u>929,827</u>	<u>1,006,544</u>
Engineering			
Personal Services	450,718	450,718	400,957
Commodities	4,291	4,291	3,838
Contractual Services	42,201	42,201	43,459
	<u>497,210</u>	<u>497,210</u>	<u>448,254</u>
Total Public Works	<u>4,723,739</u>	<u>4,723,739</u>	<u>4,615,317</u>
Public Safety			
Fire Department			
Administration			
Personal Services	678,752	678,752	699,358
Commodities	9,359	9,359	9,030
Contractual Services	28,956	28,956	21,805
	<u>717,067</u>	<u>717,067</u>	<u>730,193</u>
Fire Suppression			
Personal Services	6,921,955	6,921,955	7,188,501
Commodities	75,572	75,572	67,316
Contractual Services	624,843	624,843	601,600
	<u>7,622,370</u>	<u>7,622,370</u>	<u>7,857,417</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Fire Department - Continued			
Inspectional Services			
Personal Services	\$ 687,643	687,643	587,729
Commodities	7,082	7,082	8,236
Contractual Services	64,856	64,856	72,795
	<u>759,581</u>	<u>759,581</u>	<u>668,760</u>
Non-Emergency 911			
Personal Services	116,476	116,476	100,183
Commodities	4,715	4,715	3,038
Contractual Services	12,343	12,343	10,784
	<u>133,534</u>	<u>133,534</u>	<u>114,005</u>
Total Fire Department	<u>9,232,552</u>	<u>9,232,552</u>	<u>9,370,375</u>
Police Department			
Administration			
Personal Services	1,012,983	1,012,983	1,082,209
Commodities	10,992	10,992	11,897
Contractual Services	23,017	23,017	19,829
	<u>1,046,992</u>	<u>1,046,992</u>	<u>1,113,935</u>
Patrol			
Personal Services	9,484,423	9,484,423	9,429,222
Commodities	83,070	83,070	87,462
Contractual Services	252,464	252,464	305,698
	<u>9,819,957</u>	<u>9,819,957</u>	<u>9,822,382</u>
Investigations			
Personal Services	2,325,085	2,325,085	2,299,572
Commodities	42,749	42,749	47,419
Contractual Services	39,748	39,748	45,176
	<u>2,407,582</u>	<u>2,407,582</u>	<u>2,392,167</u>
Community Services			
Personal Services	104,970	104,970	107,004
Commodities	345	345	136
Contractual Services	3,200	3,200	2,380
	<u>108,515</u>	<u>108,515</u>	<u>109,520</u>

VILLAGE OF HANOVER PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police Department - Continued			
Staff Services			
Personal Services	\$ 1,199,483	1,199,483	1,048,092
Commodities	27,554	27,554	33,615
Contractual Services	841,859	841,859	798,747
	<u>2,068,896</u>	<u>2,068,896</u>	<u>1,880,454</u>
Code Enforcement			
Personal Services	609,317	609,317	527,489
Commodities	4,191	4,191	7,328
Contractual Services	11,810	11,810	12,407
	<u>625,318</u>	<u>625,318</u>	<u>547,224</u>
Total Police Department	<u>16,077,260</u>	<u>16,077,260</u>	<u>15,865,682</u>
Total Public Safety	<u>25,309,812</u>	<u>25,309,812</u>	<u>25,236,057</u>
Community Development			
Economic Development			
Personal Services	459,925	459,925	409,338
Commodities	2,700	2,700	2,480
Contractual Services	4,787,488	6,987,488	6,127,600
	<u>5,250,113</u>	<u>7,450,113</u>	<u>6,539,418</u>
Total Community Development	<u>5,250,113</u>	<u>7,450,113</u>	<u>6,539,418</u>
Total Expenditures	<u>40,299,806</u>	<u>42,498,806</u>	<u>41,271,174</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2022

	Special Revenue	Debt Service General Obligation Bond Series of 2020	Capital Projects	Total
ASSETS				
Cash and Investments	\$ 4,849,078	350,882	8,109,585	13,309,545
Receivables - Net of Allowances				
Taxes	550,813	1,604,599	—	2,155,412
Accounts	108,140	52	925	109,117
Accrued Interest	12,097	3,165	14,264	29,526
Due from Other Governments	814,354	—	—	814,354
Total Assets	<u>6,334,482</u>	<u>1,958,698</u>	<u>8,124,774</u>	<u>16,417,954</u>
LIABILITIES				
Accounts Payable	601,633	—	666,294	1,267,927
Other Payable	142,061	—	—	142,061
Due to Other Funds	675,480	—	—	675,480
Total Liabilities	<u>1,419,174</u>	<u>—</u>	<u>666,294</u>	<u>2,085,468</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	428,606	1,437,600	—	1,866,206
Total Liabilities and Deferred Inflows of Resources	<u>1,847,780</u>	<u>1,437,600</u>	<u>666,294</u>	<u>3,951,674</u>
FUND BALANCES				
Restricted	4,486,702	521,098	91,074	5,098,874
Assigned	—	—	7,367,406	7,367,406
Total Fund Balances	<u>4,486,702</u>	<u>521,098</u>	<u>7,458,480</u>	<u>12,466,280</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>6,334,482</u>	<u>1,958,698</u>	<u>8,124,774</u>	<u>16,417,954</u>

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, 2022

	Special Revenue	Debt Service General Obligation Bond Series of 2020	Capital Projects	Total
Revenues				
Taxes	\$ 1,084,282	1,449,380	—	2,533,662
Intergovernmental	826,049	—	—	826,049
Charges for Services	2,100	—	—	2,100
Fines and Forfeitures	67,525	—	—	67,525
Investment Income	62,220	13,987	63,823	140,030
Miscellaneous	400	—	47,280	47,680
Total Revenues	2,042,576	1,463,367	111,103	3,617,046
Expenditures				
General Government	—	400	39,936	40,336
Public Safety	16,689	—	—	16,689
Community Development	200,739	—	—	200,739
Highways and Streets	877,200	—	—	877,200
Capital Outlay	4,324,918	—	1,887,986	6,212,904
Debt Service				
Principal Retirement	—	1,010,000	—	1,010,000
Interest and Fiscal Charges	—	428,000	—	428,000
Total Expenditures	5,419,546	1,438,400	1,927,922	8,785,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,376,970)	24,967	(1,816,819)	(5,168,822)
Other Financing Sources (Uses)				
Transfers In	3,701,900	—	7,972,632	11,674,532
Transfers Out	(30,000)	—	—	(30,000)
	3,671,900	—	7,972,632	11,644,532
Net Change in Fund Balances	294,930	24,967	6,155,813	6,475,710
Fund Balances - Beginning	4,191,772	496,131	1,302,667	5,990,570
Fund Balances - Ending	4,486,702	521,098	7,458,480	12,466,280

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2022

	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
ASSETS				
Cash and Investments	\$ 2,371,885	—	280,801	13,757
Receivables - Net of Allowances				
Taxes	17,849	—	—	—
Accounts	17,072	—	3,130	—
Accrued Interest	6,300	—	—	—
Due from Other Governments	—	814,354	—	—
Total Assets	<u>2,413,106</u>	<u>814,354</u>	<u>283,931</u>	<u>13,757</u>
LIABILITIES				
Accounts Payable	482,018	86,434	864	—
Other Payable	—	—	7,889	—
Due to Other Funds	—	675,480	—	—
Total Liabilities	<u>482,018</u>	<u>761,914</u>	<u>8,753</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	<u>482,018</u>	<u>761,914</u>	<u>8,753</u>	<u>—</u>
FUND BALANCES				
Restricted	<u>1,931,088</u>	<u>52,440</u>	<u>275,178</u>	<u>13,757</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>2,413,106</u>	<u>814,354</u>	<u>283,931</u>	<u>13,757</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
204,828	1,250,961	446,150	19,389	21,231	240,076	4,849,078
—	97,719	—	25,065	35,593	374,587	550,813
—	87,738	200	—	—	—	108,140
—	4,004	1,754	39	—	—	12,097
—	—	—	—	—	—	814,354
204,828	1,440,422	448,104	44,493	56,824	614,663	6,334,482
—	1,454	230	5,711	5,217	19,705	601,633
—	92,572	40,000	1,600	—	—	142,061
—	—	—	—	—	—	675,480
—	94,026	40,230	7,311	5,217	19,705	1,419,174
—	—	—	19,884	34,135	374,587	428,606
—	94,026	40,230	27,195	39,352	394,292	1,847,780
204,828	1,346,396	407,874	17,298	17,472	220,371	4,486,702
204,828	1,440,422	448,104	44,493	56,824	614,663	6,334,482

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, 2022

	Road and Bridge	MWRD Fields	State Restricted	Federal Restricted
Revenues				
Taxes	\$ 208,435	—	—	—
Intergovernmental	11,695	814,354	—	—
Charges for Services	—	—	—	—
Fines and Forfeitures	—	—	67,525	—
Investment Income	25,132	3,467	2,418	116
Miscellaneous	—	—	—	—
Total Revenues	245,262	817,821	69,943	116
Expenditures				
Public Safety	—	—	3,076	—
Community Development	—	—	—	—
Highways and Streets	856,778	20,422	—	—
Capital Outlay	2,306,019	1,796,066	—	—
Total Expenditures	3,162,797	1,816,488	3,076	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,917,535)	(998,667)	66,867	116
Other Financing Sources (Uses)				
Transfers In	3,451,900	250,000	—	—
Transfers Out	—	—	(30,000)	—
	3,451,900	250,000	(30,000)	—
Net Change in Fund Balances	534,365	(748,667)	36,867	116
Fund Balances - Beginning	1,396,723	801,107	238,311	13,641
Fund Balances - Ending	1,931,088	52,440	275,178	13,757

Foreign Fire Insurance Tax	Tax Increment Financing #4	Tax Increment Financing #5	Service Area #3	Special Service Area #4	Special Service Area #5	Totals
41,063	396,462	127,191	18,689	23,012	269,430	1,084,282
—	—	—	—	—	—	826,049
—	—	—	2,100	—	—	2,100
—	—	—	—	—	—	67,525
1,607	19,059	6,846	118	151	3,306	62,220
—	200	200	—	—	—	400
42,670	415,721	134,237	20,907	23,163	272,736	2,042,576
13,613	—	—	—	—	—	16,689
—	7,201	5,224	20,518	31,996	135,800	200,739
—	—	—	—	—	—	877,200
—	—	—	—	—	222,833	4,324,918
13,613	7,201	5,224	20,518	31,996	358,633	5,419,546
29,057	408,520	129,013	389	(8,833)	(85,897)	(3,376,970)
—	—	—	—	—	—	3,701,900
—	—	—	—	—	—	(30,000)
—	—	—	—	—	—	3,671,900
29,057	408,520	129,013	389	(8,833)	(85,897)	294,930
175,771	937,876	278,861	16,909	26,305	306,268	4,191,772
204,828	1,346,396	407,874	17,298	17,472	220,371	4,486,702

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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 105,000	105,000	98,252
Gasoline Taxes	135,000	135,000	110,183
Intergovernmental			
Replacement Taxes	3,500	3,500	11,695
State Grants	2,504,800	2,504,800	—
Investment Income	300	300	25,132
Total Revenues	<u>2,748,600</u>	<u>2,748,600</u>	<u>245,262</u>
Expenditures			
Highways and Streets			
Commodities	165,000	165,000	155,265
Contractual Services	1,255,500	1,255,500	701,513
Capital Outlay	3,635,000	3,670,000	2,306,019
Total Expenditures	<u>5,055,500</u>	<u>5,090,500</u>	<u>3,162,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,306,900)	(2,341,900)	(2,917,535)
Other Financing Sources			
Transfers In	<u>1,451,900</u>	<u>3,451,900</u>	<u>3,451,900</u>
Net Change in Fund Balance	<u>(855,000)</u>	<u>1,110,000</u>	534,365
Fund Balance - Beginning			<u>1,396,723</u>
Fund Balance - Ending			<u><u>1,931,088</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Other Grants	\$ 1,042,000	1,042,000	814,354
Investment Income	200	200	3,467
Total Revenues	<u>1,042,200</u>	<u>1,042,200</u>	<u>817,821</u>
Expenditures			
Highways and Streets			
Contractual Services	46,300	46,300	20,422
Capital Outlay	1,548,025	1,845,507	1,796,066
Total Expenditures	<u>1,594,325</u>	<u>1,891,807</u>	<u>1,816,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(552,125)	(849,607)	(998,667)
Other Financing Sources			
Transfers In	50,000	250,000	250,000
Net Change in Fund Balance	<u>(502,125)</u>	<u>(599,607)</u>	(748,667)
Fund Balance - Beginning			<u>801,107</u>
Fund Balance - Ending			<u><u>52,440</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Fines and Forfeitures			
DUI Fines	\$ 10,000	10,000	21,291
Traffic Court Supervision	—	—	203
Sex Offender Fees	665	665	585
Drug Forfeiture	20,000	20,000	45,446
Investment Income	125	125	2,418
Total Revenues	<u>30,790</u>	<u>30,790</u>	<u>69,943</u>
Expenditures			
Public Safety			
Contractual Services	<u>77,301</u>	<u>77,301</u>	<u>3,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,511)	(46,511)	66,867
Other Financing (Uses)			
Transfers Out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
Net Change in Fund Balance	<u>(76,511)</u>	<u>(76,511)</u>	36,867
Fund Balance - Beginning			<u>238,311</u>
Fund Balance - Ending			<u><u>275,178</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Fines and Forfeitures			
Drug Forfeitures	\$ 1,000	1,000	—
Investment Income	10	10	116
Total Revenues	<u>1,010</u>	<u>1,010</u>	116
Expenditures			
Public Safety			
Contractual Services	<u>500</u>	<u>500</u>	—
Net Change in Fund Balance	<u>510</u>	<u>510</u>	116
Fund Balance - Beginning			<u>13,641</u>
Fund Balance - Ending			<u>13,757</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Foreign Fire Taxes	\$ 25,000	25,000	41,063
Investment Income	50	50	1,607
Total Revenues	<u>25,050</u>	<u>25,050</u>	<u>42,670</u>
Expenditures			
Public Safety			
Commodities	<u>30,000</u>	<u>30,000</u>	<u>13,613</u>
Net Change in Fund Balance	<u>(4,950)</u>	<u>(4,950)</u>	29,057
Fund Balance - Beginning			<u>175,771</u>
Fund Balance - Ending			<u>204,828</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 210,000	210,000	396,462
Investment Income	200	200	19,059
Miscellaneous	—	—	200
Total Revenues	<u>210,200</u>	<u>210,200</u>	<u>415,721</u>
Expenditures			
Community Development			
Contractual Services	31,000	31,000	7,201
Capital Outlay	50,000	50,000	—
Total Expenditures	<u>81,000</u>	<u>81,000</u>	<u>7,201</u>
Net Change in Fund Balance	<u>129,200</u>	<u>129,200</u>	408,520
Fund Balance - Beginning			<u>937,876</u>
Fund Balance - Ending			<u>1,346,396</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 95,000	95,000	127,191
Investment Income	50	50	6,846
Miscellaneous	—	—	200
Total Revenues	<u>95,050</u>	<u>95,050</u>	<u>134,237</u>
Expenditures			
Community Development			
Contractual Services	20,000	20,000	5,224
Capital Outlay	30,000	30,000	—
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>5,224</u>
Net Change in Fund Balance	<u>45,050</u>	<u>45,050</u>	129,013
Fund Balance - Beginning			<u>278,861</u>
Fund Balance - Ending			<u>407,874</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 18,938	18,938	18,689
Charges for Services			
Fee Parking Lot Permit Fee	—	—	2,100
Investment Income	20	20	118
Total Revenues	<u>18,958</u>	<u>18,958</u>	<u>20,907</u>
Expenditures			
Community Development			
Commodities	—	—	532
Contractual Services	21,593	21,593	19,986
Total Expenditures	<u>21,593</u>	<u>21,593</u>	<u>20,518</u>
Net Change in Fund Balance	<u>(2,635)</u>	<u>(2,635)</u>	389
Fund Balance - Beginning			<u>16,909</u>
Fund Balance - Ending			<u>17,298</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 22,335	22,335	23,012
Investment Income	15	15	151
Total Revenues	<u>22,350</u>	<u>22,350</u>	<u>23,163</u>
Expenditures			
Community Development			
Contractual Services	<u>32,931</u>	<u>32,931</u>	<u>31,996</u>
Net Change in Fund Balance	<u>(10,581)</u>	<u>(10,581)</u>	(8,833)
Fund Balance - Beginning			<u>26,305</u>
Fund Balance - Ending			<u>17,472</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 269,223	269,223	269,430
Investment Income	110	110	3,306
Total Revenues	<u>269,333</u>	<u>269,333</u>	<u>272,736</u>
Expenditures			
Community Development			
Contractual Services	132,157	132,157	135,800
Capital Outlay	160,000	377,131	222,833
Total Expenditures	<u>292,157</u>	<u>509,288</u>	<u>358,633</u>
Net Change in Fund Balance	<u>(22,824)</u>	<u>(239,955)</u>	(85,897)
Fund Balance - Beginning			<u>306,268</u>
Fund Balance - Ending			<u><u>220,371</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,438,000	1,438,000	1,449,380
Investment Income	300	300	13,987
Total Revenues	<u>1,438,300</u>	<u>1,438,300</u>	<u>1,463,367</u>
Expenditures			
General Government			
Contractual Services	1,000	1,000	400
Debt Service			
Principal Retirement	1,010,000	1,010,000	1,010,000
Interest and Fiscal Charges	428,000	428,000	428,000
Total Expenditures	<u>1,439,000</u>	<u>1,439,000</u>	<u>1,438,400</u>
Net Change in Fund Balance	<u>(700)</u>	<u>(700)</u>	24,967
Fund Balance - Beginning			<u>496,131</u>
Fund Balance - Ending			<u><u>521,098</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds
 Combining Balance Sheet
 December 31, 2022

	Special Service Area #6	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 91,047	8,018,538	8,109,585
Receivables - Net of Allowances			
Accounts	—	925	925
Accrued Interest	27	14,237	14,264
Total Assets	<u>91,074</u>	<u>8,033,700</u>	<u>8,124,774</u>
LIABILITIES			
Accounts Payable	—	666,294	666,294
FUND BALANCES			
Restricted	91,074	—	91,074
Assigned	—	7,367,406	7,367,406
Total Fund Balances	<u>91,074</u>	<u>7,367,406</u>	<u>7,458,480</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>91,074</u>	<u>8,033,700</u>	<u>8,124,774</u>

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, 2022

	Special Service Area #6	Capital Projects	Totals
Revenues			
Investment Income	\$ 754	63,069	63,823
Miscellaneous	—	47,280	47,280
Total Revenues	<u>754</u>	<u>110,349</u>	<u>111,103</u>
Expenditures			
General Government	—	39,936	39,936
Capital Outlay	—	1,887,986	1,887,986
Total Expenditures	<u>—</u>	<u>1,927,922</u>	<u>1,927,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	754	(1,817,573)	(1,816,819)
Other Financing Sources			
Transfers In	—	7,972,632	7,972,632
Net Change in Fund Balances	754	6,155,059	6,155,813
Fund Balances - Beginning	<u>90,320</u>	<u>1,212,347</u>	<u>1,302,667</u>
Fund Balances - Ending	<u><u>91,074</u></u>	<u><u>7,367,406</u></u>	<u><u>7,458,480</u></u>

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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
State Grants	\$ 400,000	400,000	—
Investment Income	500	500	63,069
Miscellaneous	46,680	46,680	47,280
Total Revenues	<u>447,180</u>	<u>447,180</u>	<u>110,349</u>
Expenditures			
General Government	70,000	70,000	39,936
Contractual Services			
Capital Outlay	8,385,150	8,447,246	1,887,986
Total Expenditures	<u>8,455,150</u>	<u>8,517,246</u>	<u>1,927,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,007,970)	(8,070,066)	(1,817,573)
Other Financing Sources			
Transfers In	<u>7,972,632</u>	<u>7,972,632</u>	<u>7,972,632</u>
Net Change in Fund Balance	<u>(35,338)</u>	<u>(97,434)</u>	6,155,059
Fund Balance - Beginning			<u>1,212,347</u>
Fund Balance - Ending			<u><u>7,367,406</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, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Water Sales	\$ 6,612,660	6,612,660	6,750,766
Sewer Service	2,600,004	2,600,004	2,673,439
Leachate Treatment	292,800	292,800	247,721
Penalties	276,000	276,000	354,317
Tap-On-Fees	87,912	87,912	90,619
Meter Sales	10,548	10,548	15,870
Miscellaneous	42,750	42,750	45,209
Total Operating Revenues	<u>9,922,674</u>	<u>9,922,674</u>	<u>10,177,941</u>
Operating Expenses			
Administration	2,400,435	2,400,435	1,903,763
Operations			
Water Treatment	6,045,581	6,045,581	5,975,316
Water Maintenance	4,488,553	4,488,553	807,071
Water Meter Operations	1,810,470	1,810,470	1,423,589
Sewage Treatment	1,701,689	1,701,689	1,416,154
Sewer Maintenance	1,653,281	1,653,281	606,608
Depreciation and Amortization	—	—	1,001,508
Total Operating Expenses	<u>18,100,009</u>	<u>18,100,009</u>	<u>13,134,009</u>
Operating (Loss)	<u>(8,177,335)</u>	<u>(8,177,335)</u>	<u>(2,956,068)</u>
Nonoperating Revenues			
Infrastructure Charge	2,357,100	2,357,100	2,426,159
State Grants	2,000,000	2,000,000	—
Federal Grants	2,543,924	2,543,924	2,546,552
Other Grants	—	—	1,081
Investment Income	15,000	15,000	121,037
	<u>6,916,024</u>	<u>6,916,024</u>	<u>5,094,829</u>
Change in Net Position	<u>(1,261,311)</u>	<u>(1,261,311)</u>	2,138,761
Net Position - Beginning			<u>31,641,585</u>
Net Position - Ending			<u><u>33,780,346</u></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, 2022**

	Original Budget	Final Budget	Actual
Administration			
Personal Services	1,491,459	1,491,459	1,357,005
Commodities	4,754	4,754	4,770
Contractual Services	904,222	904,222	541,988
Total Administration	2,400,435	2,400,435	1,903,763
Operations			
Water Treatment			
Personal Services	388,428	388,428	306,395
Commodities	15,404	15,404	11,572
Contractual Services	5,526,749	5,526,749	5,615,879
Contractual Services	115,000	115,000	41,470
	6,045,581	6,045,581	5,975,316
Water Maintenance			
Personal Services	373,126	373,126	319,775
Commodities	82,201	82,201	173,942
Contractual Services	188,226	188,226	162,626
Capital Outlay	3,845,000	3,845,000	150,728
	4,488,553	4,488,553	807,071
Water Meter Operations			
Personal Services	111,642	111,642	94,346
Commodities	21,794	21,794	35,638
Contractual Services	54,634	54,634	23,730
Capital Outlay	1,622,400	1,622,400	1,269,875
	1,810,470	1,810,470	1,423,589
Sewage Treatment			
Personal Services	714,027	714,027	625,141
Commodities	96,508	96,508	96,206
Contractual Services	600,154	600,154	542,394
Capital Outlay	291,000	291,000	152,413
	1,701,689	1,701,689	1,416,154

VILLAGE OF HANOVER PARK, ILLINOIS

Waterworks and Sewerage - Enterprise Fund
Schedule of Operating Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Operations - Continued			
Sewer Maintenance			
Personal Services	\$ 358,566	358,566	325,458
Commodities	30,100	30,100	29,768
Contractual Services	154,615	154,615	153,282
Capital Outlay	1,110,000	1,110,000	98,100
	<u>1,653,281</u>	<u>1,653,281</u>	<u>606,608</u>
 Total Operations	 15,699,574	 15,699,574	 10,228,738
 Depreciation and Amortization	 —	 —	 1,001,508
 Total Expenditures	 <u>18,100,009</u>	 <u>18,100,009</u>	 <u>13,134,009</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, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Parking Fees	\$ 261,720	261,720	99,445
Other	2,400	805,500	3,399
Total Operating Revenues	<u>264,120</u>	<u>1,067,220</u>	<u>102,844</u>
Operating Expenses			
Operations			
Personal Services	217,986	217,986	182,286
Commodities	5,794	5,794	4,864
Contractual Services	85,780	100,470	80,246
Capital Outlay	1,050,000	1,050,000	818,776
Depreciation	—	—	78,586
Total Operating Expenses	<u>1,359,560</u>	<u>1,374,250</u>	<u>1,164,758</u>
Operating (Loss)	<u>(1,095,440)</u>	<u>(307,030)</u>	<u>(1,061,914)</u>
Nonoperating Revenues			
State Grants	1,050,000	1,050,000	713,093
Investment Income	10	10	2,642
	<u>1,050,010</u>	<u>1,050,010</u>	<u>715,735</u>
Change in Net Position	<u>(45,430)</u>	<u>742,980</u>	<u>(346,179)</u>
Net Position - Beginning			<u>2,245,300</u>
Net Position - Ending			<u>1,899,121</u>

VILLAGE OF HANOVER PARK, ILLINOIS

Internal Service Funds
Combining Statement of Net Position
December 31, 2022

	Central Equipment	IT Equipment Replacement	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 7,132,833	1,508,234	8,641,067
Receivables - Net of Allowances			
Accrued Interest	30,016	6,630	36,646
Prepays	—	2,669	2,669
Total Current Assets	<u>7,162,849</u>	<u>1,517,533</u>	<u>8,680,382</u>
Noncurrent Assets			
Capital Assets			
Depreciable	13,016,678	171,314	13,187,992
Accumulated Depreciation	<u>(7,772,551)</u>	<u>(51,394)</u>	<u>(7,823,945)</u>
Total Capital Assets	<u>5,244,127</u>	<u>119,920</u>	<u>5,364,047</u>
Total Assets	<u>12,406,976</u>	<u>1,637,453</u>	<u>14,044,429</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	<u>17,000</u>	<u>171,735</u>	<u>188,735</u>
NET POSITION			
Investment in Capital Assets	5,244,127	119,920	5,364,047
Unrestricted	<u>7,145,849</u>	<u>1,345,798</u>	<u>8,491,647</u>
Total Net Position	<u>12,389,976</u>	<u>1,465,718</u>	<u>13,855,694</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, 2022

	Central Equipment	IT Equipment Replacement	Totals
Operating Revenues			
Interfund Services	\$ 1,300,201	520,703	1,820,904
Operating Expenses			
Operations	—	429,006	429,006
Depreciation	950,478	11,421	961,899
Total Operating Expenses	950,478	440,427	1,390,905
Operating Income	349,723	80,276	429,999
Nonoperating Revenues			
Investment Income	105,619	10,260	115,879
Change in Net Position	455,342	90,536	545,878
Net Position - Beginning	11,934,634	1,375,182	13,309,816
Net Position - Ending	12,389,976	1,465,718	13,855,694

VILLAGE OF HANOVER PARK, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2022

	Central Equipment	IT Equipment Replacement	Totals
Cash Flows from Operating Activities			
Interfund Services Provided	\$ 1,270,184	514,073	1,784,257
Payments to Suppliers	(112,252)	(300,152)	(412,404)
	<u>1,157,932</u>	<u>213,921</u>	<u>1,371,853</u>
Cash Flows from Capital and Related Financing Activities			
Disposal of Capital Assets	2,870	—	2,870
Purchase of Capital Assets	(504,602)	—	(504,602)
	<u>(501,732)</u>	<u>—</u>	<u>(501,732)</u>
Cash Flows from Investing Activities			
Investment Income	105,619	10,260	115,879
	<u>761,819</u>	<u>224,181</u>	<u>986,000</u>
Net Change in Cash and Cash Equivalents			986,000
Cash and Cash Equivalents - Beginning	6,371,014	1,284,053	7,655,067
Cash and Cash Equivalents - Ending	<u>7,132,833</u>	<u>1,508,234</u>	<u>8,641,067</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income	349,723	80,276	429,999
Adjustments to Reconcile Operating Income to Net			
Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	950,478	11,421	961,899
Other Income	—	—	—
(Increase) Decrease in Current Assets	(30,017)	(6,630)	(36,647)
Increase (Decrease) in Current Liabilities	(112,252)	128,854	16,602
Net Cash Provided by Operating Activities	<u>1,157,932</u>	<u>213,921</u>	<u>1,371,853</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, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 1,300,201	1,300,201	1,300,201
Operating Expenses			
Operations			
Capital Outlay	579,900	672,825	—
Depreciation	1,220,000	1,220,000	950,478
Total Operating Expenses	1,799,900	1,892,825	950,478
Operating Income (Loss)	(499,699)	(592,624)	349,723
Nonoperating Revenues			
Investment Income	2,500	2,500	105,619
Change in Net Position	(497,199)	(590,124)	455,342
Net Position - Beginning			11,934,634
Net Position - Ending			12,389,976

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, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 520,703	520,703	520,703
Operating Expenses			
Operations			
Capital Outlay	359,800	590,253	429,006
Depreciation and Amortization	—	—	11,421
Total Operating Expenses	359,800	590,253	440,427
Operating Income (Loss)	160,903	(69,550)	80,276
Nonoperating Revenues			
Investment Income	500	500	10,260
Change in Net Position	161,403	(69,050)	90,536
Net Position - Beginning			1,375,182
Net Position - Ending			1,465,718

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2022

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 2,214,388	1,398,590	3,612,978
Investments			
Illinois Police Officers' Pension Investment Fund	39,042,372	—	39,042,372
Illinois Firefighters' Pension Investment Fund	—	22,559,579	22,559,579
Due from Other Funds	436,913	243,174	680,087
Prepays	4,612	611	5,223
Total Assets	41,698,285	24,201,954	65,900,239
LIABILITIES			
Accounts Payable	3,889	1,030	4,919
NET POSITION			
Net Position Restricted for Pensions	41,694,396	24,200,924	65,895,320

VILLAGE OF HANOVER PARK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2022

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,797,383	2,113,604	5,910,987
Contributions - Plan Members	632,651	323,701	956,352
Other	110,225	—	110,225
Total Contributions	4,540,259	2,437,305	6,977,564
Investment Income			
Interest Earned	558,403	188,392	746,795
Net Change in Fair Value	(5,230,886)	(4,148,398)	(9,379,284)
	(4,672,483)	(3,960,006)	(8,632,489)
Less Investment Expenses	(62,946)	(19,074)	(82,020)
Net Investment Income	(4,735,429)	(3,979,080)	(8,714,509)
Total Additions	(195,170)	(1,541,775)	(1,736,945)
Deductions			
Benefits and Refunds	3,477,789	1,917,775	5,395,564
Administration	67,390	45,610	113,000
Total Deductions	3,545,179	1,963,385	5,508,564
Change in Fiduciary Net Position	(3,740,349)	(3,505,160)	(7,245,509)
Net Position Restricted for Pensions			
Beginning	45,434,745	27,706,084	73,140,829
Ending	41,694,396	24,200,924	65,895,320

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, 2022

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ —	—	3,797,383
Contributions - Plan Members	583,000	583,000	632,651
Other	3,771,615	3,771,615	110,225
Total Contributions	4,354,615	4,354,615	4,540,259
Investment Income			
Interest Earned	100,000	100,000	558,403
Net Change in Fair Value	1,000,000	1,000,000	(5,230,886)
	1,100,000	1,100,000	(4,672,483)
Less Investment Expenses	—	—	(62,946)
Net Investment Income	1,100,000	1,100,000	(4,735,429)
Total Additions	5,454,615	5,454,615	(195,170)
Deductions			
Benefits and Refunds	3,551,524	3,551,524	3,477,789
Administration	128,605	128,605	67,390
Total Deductions	3,680,129	3,680,129	3,545,179
Change in Fiduciary Net Position	1,774,486	1,774,486	(3,740,349)
Net Position Restricted for Pensions			
Beginning			45,434,745
Ending			41,694,396

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, 2022

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ —	—	2,113,604
Contributions - Plan Members	—	—	323,701
Other	2,435,433	2,435,433	—
Total Contributions	<u>2,435,433</u>	<u>2,435,433</u>	<u>2,437,305</u>
Investment Income			
Interest Earned	75,000	75,000	188,392
Net Change in Fair Value	800,000	800,000	(4,148,398)
	<u>875,000</u>	<u>875,000</u>	<u>(3,960,006)</u>
Less Investment Expenses	—	—	(19,074)
Net Investment Income	<u>875,000</u>	<u>875,000</u>	<u>(3,979,080)</u>
Total Additions	<u>3,310,433</u>	<u>3,310,433</u>	<u>(1,541,775)</u>
Deductions			
Benefits and Refunds	1,960,720	1,960,720	1,917,775
Administration	112,175	112,175	45,610
Total Deductions	<u>2,072,895</u>	<u>2,072,895</u>	<u>1,963,385</u>
Change in Fiduciary Net Position	<u>1,237,538</u>	<u>1,237,538</u>	<u>(3,505,160)</u>
Net Position Restricted for Pensions			
Beginning			<u>27,706,084</u>
Ending			<u>24,200,924</u>

VILLAGE OF HANOVER PARK, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2022**

CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement Program	\$ —	—	—	—
494-00-1488	Motor Fuel Tax	—	—	—	—
494-00-2356	Local Rebuild Illinois Bond Program	—	—	—	—
	Other Grant Programs and Activities	—	2,546,552	—	2,546,552
	All Other Costs Not Allocated	—	—	60,220,798	60,220,798
	Totals	—	2,546,552	60,220,798	62,767,350



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

June 19, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of and for the year ended December 31, 2022, 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 19, 2023.

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. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

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

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, 2022 (Unaudited)**

See Following Page

VILLAGE OF HANOVER PARK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2022 (Unaudited)

	4/30/2014	12/31/2014 (1)	12/31/2015 (2)	12/31/2016
Governmental Activities				
Net Investment in Capital Assets	\$ 48,743,363	49,462,602	50,362,373	52,470,477
Restricted	5,294,935	4,835,944	6,932,172	7,366,374
Unrestricted (Deficit)	14,654,715	17,292,137	(14,151,561)	(14,420,304)
Total Governmental Activities Net Position	68,693,013	71,590,683	43,142,984	45,416,547
Business-Type Activities				
Net Investment in Capital Assets	26,941,735	28,088,831	23,651,515	23,578,647
Restricted	—	—	—	—
Unrestricted	8,581,691	8,965,544	8,534,548	8,846,752
Total Business-Type Activities Net Position	35,523,426	37,054,375	32,186,063	32,425,399
Primary Government				
Net Investment in Capital Assets	75,685,098	77,551,433	74,013,888	76,049,124
Restricted	5,294,935	4,835,944	6,932,172	7,366,374
Unrestricted (Deficit)	23,236,406	26,257,681	(5,617,013)	(5,573,552)
Total Primary Government Net Position	104,216,439	108,645,058	75,329,047	77,841,946

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.

12/31/2017	12/31/2018 (3)	12/31/2019	12/31/2020	12/31/2021	12/31/2022
53,331,685	56,319,828	59,646,563	64,256,664	65,186,567	67,145,083
8,097,770	9,354,849	11,225,970	11,030,353	14,358,584	20,638,166
(14,243,345)	(17,856,992)	(13,530,269)	(7,402,325)	3,864,932	8,281,788
47,186,110	47,817,685	57,342,264	67,884,692	83,410,083	96,065,037
23,575,332	23,868,701	23,624,289	24,261,288	23,512,012	26,695,260
—	—	—	—	—	1,592,902
8,984,517	8,967,072	9,797,313	9,860,670	10,374,873	7,391,305
32,559,849	32,835,773	33,421,602	34,121,958	33,886,885	34,086,565
76,907,017	80,188,529	83,270,852	88,517,952	88,698,579	93,840,343
8,097,770	9,354,849	11,225,970	11,030,353	14,358,584	22,231,068
(5,258,828)	(8,889,920)	(3,732,956)	2,458,345	14,239,805	15,673,093
79,745,959	80,653,458	90,763,866	102,006,650	117,296,968	131,744,504

VILLAGE OF HANOVER PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
December 31, 2022 (Unaudited)

	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	12/31/2022
Primary Governmental Expenses										
Governmental Activities										
General Government	\$ 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	5,104,206
Public Works	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	4,615,317
Public Safety	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	26,570,820
Community Development	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	7,017,499
Highway and Streets	3,522,824	2,276,624	1,917,673	703,424	866,856	591,102	700,207	881,961	3,845,558	4,884,665
Interest	1,076,381	976,489	646,489	925,399	894,677	858,826	819,786	323,799	314,373	276,076
Total Governmental Activities Expenses	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	48,468,583
Business-Type Activities										
Water and Sewer	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	13,134,009
Parking	387,584	202,907	373,475	380,323	341,781	336,950	390,377	340,495	339,367	1,164,758
Hanover Square	694,530	524,861	593,909	—	—	—	—	—	—	—
Total Business-Type Activities Expenses	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	14,298,767
Total Primary Government Expenses	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	62,767,350
Primary Government Program Revenues										
Governmental Activities										
Charges for Services										
General Government	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	1,411,482
Public Safety	1,989,029	1,286,735	1,894,715	2,043,407	2,113,433	2,540,205	2,561,575	2,362,402	2,602,346	555,946
Community Development	61,714	42,531	18,758	11,794	16,181	68,644	3,849,912	173,563	153,353	2,845,559
Public Works	245,355	193,819	337,246	283,057	327,493	330,295	335,096	246,916	548,628	109,324
Operating Grants and Contributions	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	266,197	—	258,796	255,138	247,958	—	—	—	2,824,321	3,242,419
Total Governmental Activities Program Revenues	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	8,164,730
Business-Type Activities										
Charges for Services										
Water and Sewer	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	10,177,941
Parking	371,185	265,895	389,405	443,695	393,290	432,160	400,871	183,141	56,474	102,844
Hanover Square	710,703	560,678	643,541	—	—	—	—	—	—	—
Grants and Contributions	180,126	—	—	—	—	—	—	—	2,546,552	3,260,726
Total Business-Type Activities Program Revenues	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	13,541,511
Total Primary Government Program Revenues	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	21,706,241

	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	12/31/2022
Net (Expenses) Revenues										
Governmental Activities	\$ (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)	(40,303,853)
Business-Type Activities	1,258,733	(76,720)	(523,080)	(990,341)	(1,674,285)	(1,057,105)	(1,079,056)	(930,927)	(1,816,721)	(757,256)
	(25,637,486)	(19,730,143)	(29,141,806)	(32,621,755)	(34,858,473)	(33,827,414)	(30,839,536)	(32,001,826)	(35,244,401)	(41,061,109)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	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	16,321,211
Home Rule Sales Tax	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	11,273,479
Utility	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	1,669,839
Other Taxes	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	2,663,801
Intergovernmental										
Sales Tax	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	11,915,838
Use Tax	669,932	545,220	844,592	922,304	982,230	1,115,475	1,281,271	1,695,618	1,448,845	1,518,590
State Income Tax	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	6,105,635
Other Intergovernmental	94,867	51,945	93,510	87,160	101,644	84,998	101,684	93,807	235,858	638,610
Investment Income	153,820	58,063	61,070	89,607	198,840	575,434	763,849	232,320	79,484	503,363
Miscellaneous	113,527	215,566	(1,571,337)	282,508	412,898	301,930	257,683	278,795	340,534	348,441
Transfers	421,795	(1,010,515)	4,404,281	76,000	(141,849)	—	—	23,400	—	—
Total Governmental Activities	30,433,098	22,276,807	36,330,041	34,760,885	34,933,751	36,724,777	39,233,834	41,613,327	48,933,071	52,958,807
Business-Type Activities										
Investment Income	8,476	11,102	(202)	12,081	73,199	180,893	257,078	80,269	7,387	123,679
Miscellaneous	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	2,426,159
Transfers	(421,795)	1,010,515	(4,404,281)	(76,000)	141,849	—	—	(23,400)	—	—
Total Business-Type Activities	(402,891)	1,607,669	(2,857,661)	1,286,594	1,808,735	1,753,352	1,831,767	1,631,283	1,581,648	2,549,838
Total Primary Government	30,030,207	23,884,476	33,472,380	36,047,479	36,762,486	38,478,129	41,065,601	43,244,610	50,534,719	55,508,645
Changes in Net Position										
Governmental Activities	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	12,654,954
Business-Type Activities	855,842	1,530,949	(3,380,741)	296,253	134,450	696,247	752,711	700,356	(235,073)	1,792,582
Total Primary Government Changes in Net Position	4,392,721	4,154,333	4,330,574	3,425,724	1,904,013	4,650,715	10,226,065	11,242,784	15,290,318	14,447,536

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, 2022 (Unaudited)

	4/30/2014	12/31/2014**	12/31/2015	12/31/2016
General Fund				
Nonspendable	\$ 1,114,638	556,466	294,419	381,659
Restricted	134,910	—	—	—
Unassigned	11,611,884	14,180,226	16,326,081	19,432,402
Total General Fund	12,861,432	14,736,692	16,620,500	19,814,061
All Other Governmental Funds				
Nonspendable	—	—	—	—
Restricted	5,160,025	4,835,944	6,932,172	7,366,374
Assigned	124,603	373,202	845,601	925,390
Unassigned	(438,081)	(484,093)	(461,479)	(363,202)
Total All Other Governmental Funds	4,846,547	4,725,053	7,316,294	7,928,562
Total Governmental Funds	17,707,979	19,461,745	23,936,794	27,742,623

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.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
324,481	293,222	192,354	29,449	33,231	55,174
—	—	—	—	—	—
21,124,648	22,115,466	23,391,983	28,830,428	37,759,623	37,812,992
21,449,129	22,408,688	23,584,337	28,859,877	37,792,854	37,868,166
8,099	—	—	—	—	—
8,097,770	9,354,849	11,225,970	11,030,353	14,394,251	16,795,226
1,465,047	793,723	1,039,084	1,255,720	1,212,347	7,367,406
(234,789)	(156,190)	(88,402)	—	—	—
9,336,127	9,992,382	12,176,652	12,286,073	15,606,598	24,162,632
30,785,256	32,401,070	35,760,989	41,145,950	53,399,452	62,030,798

VILLAGE OF HANOVER PARK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2022 (Unaudited)

	4/30/2014	12/31/2014**	12/31/2015
Revenues			
Taxes	\$ 19,917,388	16,358,172	22,816,370
Intergovernmental	11,411,435	7,968,269	12,436,273
Licenses and Permits	1,138,365	718,779	1,224,977
Charges for Services and Fees	1,764,636	1,036,818	1,451,562
Fines and Forfeitures	590,966	536,820	700,467
Investment Income	153,820	58,063	61,070
Miscellaneous	153,209	176,651	441,974
Total Revenues	35,129,819	26,853,572	39,132,693
Expenditures			
General Government	5,247,701	2,483,520	3,344,230
Public Works	3,494,643	2,644,628	3,962,391
Public Safety	17,837,161	13,027,697	19,322,453
Community Development	660,326	1,879,756	4,003,728
Highways and Streets	796,373	427,967	628,804
Capital Outlay	2,745,856	2,982,751	1,318,476
Debt Service			
Principal	810,000	875,000	945,000
Interest and Fiscal Charges	1,085,135	986,620	957,562
Total Expenditures	32,677,195	25,307,939	34,482,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,452,624	1,545,633	4,650,049
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Premiums on Bond Issuance	—	—	—
Payment to Escrow Agent	—	—	—
Transfers In	1,444,301	1,408,526	1,430,802
Transfers Out	(1,022,506)	(1,283,276)	(1,605,802)
Sale of Property	—	82,883	—
	421,795	208,133	(175,000)
Net Change in Fund Balances	2,874,419	1,753,766	4,475,049
Debt Service as a Percentage of Noncapital Expenditures	6.05%	7.51%	5.82%

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	12/31/2022
23,695,474	23,517,011	24,253,008	25,598,513	26,186,026	30,440,547	31,928,330
11,898,609	12,420,236	13,248,330	14,235,104	18,539,007	20,916,827	23,421,092
1,168,407	1,267,962	1,279,465	1,294,601	1,143,061	1,470,518	1,478,284
1,719,499	1,603,708	1,880,744	1,986,105	1,698,259	2,218,944	2,497,968
766,115	907,692	1,109,612	1,160,816	1,061,886	999,635	946,059
89,607	198,840	575,434	763,849	232,320	21,304	387,484
523,483	730,098	594,105	467,427	389,613	340,534	348,441
39,861,194	40,645,547	42,940,698	45,506,415	49,250,172	56,408,309	61,007,658
3,671,745	3,946,578	4,287,169	4,468,215	5,214,787	4,604,107	4,920,718
3,874,431	3,981,239	4,237,892	4,296,111	4,018,408	4,299,445	4,615,317
19,551,407	20,500,538	21,372,010	21,740,295	21,719,698	22,715,333	25,252,746
3,574,079	3,536,293	4,232,128	3,762,696	5,042,370	6,489,435	6,769,510
728,074	885,352	619,997	739,471	910,523	753,511	877,200
2,817,230	2,923,902	4,812,292	5,024,317	5,197,456	3,816,176	8,502,821
985,000	1,030,000	1,050,000	1,070,000	1,310,000	970,000	1,010,000
929,399	899,012	863,396	824,691	498,842	466,800	428,000
36,131,365	37,702,914	41,474,884	41,925,796	43,912,084	44,114,807	52,376,312
3,729,829	2,942,633	1,465,814	3,580,619	5,338,088	12,293,502	8,631,346
—	—	—	—	12,980,000	—	—
—	—	—	—	1,868,674	—	—
—	—	—	—	(14,747,201)	—	—
1,273,396	2,178,155	2,190,805	2,948,642	1,673,775	2,138,382	11,704,532
(1,197,396)	(2,078,155)	(2,190,805)	(3,169,342)	(1,728,375)	(2,178,382)	(11,704,532)
—	—	150,000	—	—	—	—
76,000	100,000	150,000	(220,700)	46,873	(40,000)	—
3,805,829	3,042,633	1,615,814	3,359,919	5,384,961	12,253,502	8,631,346
5.99%	5.99%	5.04%	4.97%	4.40%	3.46%	2.96%

VILLAGE OF HANOVER PARK, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Cook County - Last Ten Tax Levy Years
December 31, 2022 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
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	—
2021	220,515,669	2,948	56,540,027	—

Data Source: Office of the County Clerk and Treasurer

Total	Railroad	Total Taxable Assessed Value	Estimated Actual Taxable Value	Tax Rate
\$ 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
277,058,644	—	277,058,644	831,175,932	2.2871

VILLAGE OF HANOVER PARK, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - DuPage County - Last Ten Tax Levy Years
December 31, 2022 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
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
2021	334,752,665	81,158	22,468,100	79,491,430

Data Source: Office of the County Clerk and Treasurer

Total	Railroad	Total Taxable Assessed Value	Estimated Actual Taxable Value	Tax Rate
\$ 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
436,793,353	46,868	436,840,221	1,310,520,663	1.8675

VILLAGE OF HANOVER PARK, ILLINOIS

**Direct and Overlapping Property Tax Rates - Cook County - Last Ten Tax Levy Years
December 31, 2022 (Unaudited)**

	2012	2013	2014
Village Direct Rates			
General Corporate Rate	1.6860	2.3090	2.3570
Police Pension	—	—	—
Fire Pension	—	—	—
Debt Service Rate	0.2530	0.3280	0.3300
Total Direct	<u>1.9390</u>	<u>2.6370</u>	<u>2.6870</u>
Overlapping Rates			
School District #46	6.5400	7.5800	7.6680
School District #509	0.5460	0.6380	0.6380
Hanover Park District	0.5110	0.6290	0.6240
County Including Forest Preserve District and TB Sanitarium	0.5940	0.6290	0.6370
Hanover Township	0.3240	0.3910	0.2980
Metropolitan Water Reclamation District	0.3700	0.4170	0.4300
Northwest Mosquito Abatement District	0.0110	0.0130	0.0130
Poplar Creek Library	0.5150	0.6310	0.6320
Community Mental Health	0.0500	0.0610	0.0610
Consolidated Elections	—	0.0310	—
Total Overlapping Rates	<u>9.4610</u>	<u>11.0200</u>	<u>11.0010</u>
 Total Tax Rates	 <u>11.4000</u>	 <u>13.6570</u>	 <u>13.6880</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.

2015	2016	2017	2018	2019	2020	2021
2.4750	1.5041	1.4128	1.4115	1.1272	1.0306	1.0359
—	0.4212	0.4525	0.4973	0.4624	0.5531	0.6432
—	0.2531	0.2794	0.3023	0.2776	0.3248	0.3580
0.3880	0.3345	0.3268	0.3334	0.2787	0.2340	0.2500
2.8630	2.5129	2.4715	2.5445	2.1459	2.1425	2.2871
7.9470	6.8370	6.9320	7.1200	6.4390	6.5750	7.1970
0.6540	0.5700	0.5620	0.6120	0.5440	0.5270	0.5520
0.6650	0.5970	0.5970	0.6280	0.5420	0.5600	0.6040
0.6210	0.5960	0.5580	0.5490	0.5130	0.5110	0.5040
0.3180	0.2750	0.2810	0.3840	0.3410	0.2760	0.3920
0.4260	0.4060	0.4020	0.3960	0.3890	0.3780	0.3820
0.0110	0.0100	0.0100	0.0110	0.0100	0.0100	0.0110
0.6630	0.5800	0.5900	0.6210	0.5460	0.5640	0.6230
0.0580	0.0570	0.0590	0.0630	0.0570	0.0590	0.0670
0.0340	—	0.0310	—	0.0300	—	0.0190
11.3970	9.9280	10.0220	10.3840	9.4110	9.4600	10.3510
14.2600	12.4409	12.4935	12.9285	11.5569	11.6025	12.6381

VILLAGE OF HANOVER PARK, ILLINOIS**Direct and Overlapping Property Tax Rates - DuPage County - Last Ten Tax Levy Years
December 31, 2022 (Unaudited)**

	2012	2013	2014
Village Direct Rates			
General Corporate Rate	0.9039	0.9991	0.9836
Fire Protection	0.9790	1.1292	1.3204
Police Protection	—	—	—
Fire Pension	—	—	—
Debt Service Rate	0.2498	0.2658	0.2816
Total Direct	2.1327	2.3941	2.5856
Overlapping Rates			
School District #93	4.6112	5.0165	5.1272
School District #87	2.2868	2.4877	2.5824
Community College #502	0.2681	0.2956	0.2975
Hanover Park District	0.5614	0.5673	0.5834
County Including Forest Preserve District and Airport	0.3639	0.3875	0.3944
Wayne Township	0.1626	0.1796	0.1880
Poplar Creek Library	0.5977	0.6249	0.6272
Total Overlapping Rates	8.8517	9.5591	9.8001
Total Tax Rates	10.9844	11.9532	12.3857

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.

2015	2016	2017	2018	2019	2020	2021
0.9664	0.5699	0.4692	0.3819	0.2735	0.1689	0.1127
1.4449	0.9381	0.8951	0.8694	0.7910	0.7948	0.7884
—	0.3676	0.3790	0.3802	0.3771	0.4383	0.4675
—	0.2791	0.2933	0.2882	0.2774	0.3159	0.3189
0.3233	0.2863	0.2685	0.2505	0.2229	0.1820	0.1800
2.7346	2.4410	2.3051	2.1702	1.9419	1.8999	1.8675
5.0951	4.8165	4.6931	4.5643	4.5364	4.5597	4.4370
2.5173	2.4030	2.3402	2.2834	2.2296	2.2255	2.2284
0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2037
0.6099	0.5606	0.5415	0.5194	0.4796	0.4762	0.4859
0.3781	0.3538	0.3221	0.3097	0.3038	0.2962	0.2908
0.1847	0.1759	0.1724	0.1704	0.0911	0.0904	0.0899
0.6601	0.5893	0.5725	0.5552	0.5023	0.4995	0.5373
9.7238	9.1617	8.8849	8.6341	8.3540	8.3589	8.2730
12.4584	11.6027	11.1900	10.8043	10.2959	10.2588	10.1405

VILLAGE OF HANOVER PARK, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2022 (Unaudited)**

Taxpayer	2022			2013		
	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	2.02%	\$ 13,158,840	1	2.43%
Menards	10,141,211	2	1.42%	2,658,292	9	0.49%
Harvest A Fuji LLC	5,474,010	3	0.77%			
MS Claremont LP - Symphony	5,157,477	4	0.72%			
WestView LLC (IG Capital LLC)	4,804,321	5	0.67%	4,222,435	4	0.78%
Fisher Scientific Company	4,671,580	6	0.65%	3,705,760	5	0.68%
Pebblewood 23 LLC	4,625,924	7	0.65%			
Trans	3,952,110	8	0.55%	2,868,050	7	0.53%
GPT Hunter Road Owner LLC	3,084,800	9	0.43%			
Iron Mountain Info Mgmt	2,742,770	10	0.38%	2,390,860	10	0.44%
Cabot Properties				5,653,240	2	1.04%
Reality Associates Fund IX				5,233,690	3	0.96%
Buckhead Industrial Properties				2,729,610	8	0.50%
NEQ/EOLA - Turnberry Lakes				3,676,890	6	0.68%
Total	<u>59,045,033</u>		<u>8.26%</u>	<u>46,297,667</u>		<u>8.53%</u>

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, 2022 (Unaudited)**

Fiscal Year	Tax 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
4/30/14	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%
12/31/22	2021	13,383,696	13,373,215	99.92%	—	13,373,215	99.92%

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, 2022 (Unaudited)**

	2013	2014	2015	2016
General Merchandise	\$ —	12,127	—	—
Food	503,151	561,648	574,319	576,736
Drinking and Eating Places	284,229	273,975	303,626	305,715
Apparel	—	522	—	—
Furniture, HH and Radio	27,853	25,639	28,226	20,856
Lumber, Building, and Hardware	525,261	533,309	604,029	615,656
Automobile and Filling Stations	294,965	316,758	282,731	292,880
Drugs and Miscellaneous Retail	598,156	571,484	512,741	519,202
Agriculture and All Others	2,831,702	2,927,845	3,171,299	3,486,299
Manufacturers	69,661	77,973	138,599	72,118
Totals	5,134,978	5,301,280	5,615,570	5,889,462
Village Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Data Source: Illinois Department of Revenues

2017	2018	2019	2020	2021	2022
14,364	(18,810)	9,760	—	945	966
583,480	582,809	606,709	690,629	646,492	695,037
277,375	308,618	326,183	290,686	334,955	355,801
4,142	9,826	227	—	26,822	34,934
16,786	18,161	20,353	20,699	64,987	57,799
628,656	642,765	638,648	713,681	730,233	727,014
288,816	177,235	229,666	239,934	321,590	325,647
524,001	618,984	584,634	559,661	894,277	966,080
3,956,078	4,341,891	4,725,843	6,436,460	8,322,766	8,702,129
71,165	75,243	46,459	24,229	52,715	50,428
6,364,863	6,756,722	7,188,482	8,975,979	11,395,782	11,915,835
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, 2022 (Unaudited)**

	2013	2014	2015	2016
General Merchandise	\$ —	7,561	—	—
Food	65,115	81,138	107,834	116,472
Drinking and Eating Places	168,674	195,334	215,732	217,608
Apparel	—	—	—	—
Furniture, HH and Radio	17,842	19,228	21,163	15,643
Lumber, Building, and Hardware	321,137	392,241	444,486	453,347
Automobile and Filling Stations	175,553	218,435	195,829	198,978
Drugs and Miscellaneous Retail	230,393	249,511	190,616	186,821
Agriculture and All Others	1,775,671	2,190,176	2,378,404	2,592,831
Manufacturers	43,212	57,674	91,765	53,339
Totals	2,797,597	3,411,298	3,645,829	3,835,039
Village Home Rule Sales Tax Rate	0.75%	0.75%	0.75%	0.75%

Data Source: Illinois Department of Revenues

2017	2018	2019	2020	2021	2022
9,282	(12,331)	6,080	—	825	949
123,923	127,167	125,720	130,777	181,301	201,552
198,415	222,819	237,864	217,062	295,095	354,234
3,093	7,367	170	—	25,290	34,697
12,583	13,615	15,265	15,516	60,505	57,610
463,134	473,570	469,685	524,697	627,400	711,619
197,843	117,780	152,325	155,483	247,906	270,399
178,906	253,395	228,438	206,367	535,419	668,527
2,958,260	3,251,305	3,535,375	4,822,572	7,490,612	8,699,775
52,671	55,703	33,968	892,623	44,444	49,444
4,198,110	4,510,390	4,804,890	6,965,097	9,508,797	11,048,806
0.75%	0.75%	0.75%	0.75%	1.00%	1.00%

VILLAGE OF HANOVER PARK, ILLINOIS

**Direct and Overlapping Sales Tax Rates Cook County - Last Ten Calendar Years
December 31, 2022 (Unaudited)**

Calendar Year	Village Direct Rate	Village Home Rule Rate	Regional Transportation Authority	County Direct Rate	County Home Rule Rate	State Rate	Total
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%
2022	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, 2022 (Unaudited)**

Calendar Year	Village Direct Rate	Village Home Rule Rate	Regional Transportation Authority	County Direct Rate	State Rate	Total
41639	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%
1905	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%
2022	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, 2022 (Unaudited)**

Fiscal Year	Governmental		Business		Total		Percentage of Personal Income (1)	Per Capita
	Activities	General	Type	Total	Equalized	Percentage		
	Obligation	Bonds	Activities	Primary	Assessed	of EAV		
			IEPA	Government	Value (EAV)			
			Loan					
4/30/2014	\$ 20,477,418	\$ 1,283,975	\$ 21,761,393	\$ 546,057,031	3.99%	2.53%	\$ 573.08	
12/31/2014*	19,615,000	1,067,648	20,682,648	546,057,031	3.79%	2.41%	544.67	
12/31/2015	18,654,164	730,463	19,384,627	525,517,785	3.69%	2.25%	510.48	
12/31/2016	17,667,537	383,924	18,051,461	561,932,787	3.21%	2.10%	475.38	
12/31/2017	16,635,910	151,013	16,786,923	585,997,057	2.86%	1.95%	442.08	
12/31/2018	15,584,283	36,694	15,620,977	604,230,594	2.59%	1.82%	411.37	
12/31/2019	14,512,658	—	14,512,658	672,726,623	2.16%	1.69%	382.18	
12/31/2020	13,368,795	—	13,368,795	710,587,745	1.88%	1.55%	352.06	
12/31/2021	12,228,916	—	12,228,916	726,416,062	1.68%	1.22%	326.37	
12/31/2022	11,049,037	—	11,049,037	713,898,865	1.55%	1.10%	294.88	

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, 2022 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Amounts Available for Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
4/30/2014	\$ 20,477,418	\$ 553,653	\$ 19,923,765	3.65%	\$ 524.68
12/31/2014*	19,615,000	214,928	19,400,072	3.55%	510.89
12/31/2015	18,654,164	172,733	18,481,431	3.52%	486.70
12/31/2016	17,667,537	192,710	17,474,827	3.11%	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	2.52%	400.40
12/31/2019	14,512,658	477,033	14,035,625	2.09%	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
12/31/2022	11,049,037	488,798	10,560,239	1.48%	281.83

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, 2022 (Unaudited)**

Governmental Unit	GO Bonded Debt		Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Hanover Park	\$ 11,049,037		100.00%	\$ 11,049,037
School District #20	15,177,641		21.25%	3,225,249
School District #93	8,345,000	(4)	47.99%	4,004,766
High School District #211	—	(3)(4)	14.66%	—
High School District #108	9,120,000	(3)	12.03%	1,097,136
High School District #54	—		19.29%	—
Community School District #46	185,425,910	(2)	34.93%	64,769,270
Community College District #502	93,225,000	(3)	1.21%	1,128,023
Community College District #509	140,415,000	(2)	2.69%	3,777,164
Community College District #512	243,530,000		2.22%	5,406,366
Total School Districts	<u>695,238,551</u>			<u>83,407,974</u>
Cook County	2,425,146,750		2.16%	52,383,170
DuPage County	22,515,000	(3)(4)	0.69%	155,354
Cook County Forest Preserve District	119,775,000	(3)	0.28%	335,370
DuPage County Forest Preserve District	89,420,000	(2)(3)	0.70%	625,940
Metropolitan Water Reclamation District	2,759,628,416	(1)	1.85%	51,053,126
Bartlett Park District	17,660,000	(3)	3.52%	621,632
Hanover Park Park District	5,671,065	(3)	2.93%	166,162
Schaumburg Park District	18,627,747	(3)	1.72%	320,397
Bloomington Fire Protection District	3,050,000		4.04%	123,220
Total Other	<u>5,461,493,978</u>			<u>105,784,371</u>
Total Overlapping Debt	<u>6,156,732,529</u>			<u>189,192,345</u>
Total Direct and Overlapping Debt	<u><u>6,167,781,566</u></u>			<u><u>200,241,382</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, 2022 (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, 2022 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
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%
12/31/2022	37,470	1,005,057,810	26,823	32	7,518	5.50%

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, 2022 (Unaudited)**

Employer	2022			2014		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Insight Enterprises, Inc.	510	1	6.5%	250	3	5.0%
Jabil Packaging Solutions	340	2	4.4%			
Tri-Dem Filter	300	3	3.9%			
Camcraft, Inc.	280	4	3.6%	225	4	4.5%
Thermo Fischer Scientific	230	5	3.0%	300	2	6.0%
Village of Hanover Park	230	6	3.0%	193	7	3.9%
Pentair/Everpure, LLC	200	7	2.6%	200	5	4.0%
Menards	200	8	2.6%			
Fuji Film	190	9	2.4%	150	8	3.0%
CMA/Flodyne/Hyradine Inc	150	10	1.9%			
Round Ground Metals Inc	130	11	1.7%			
Lineage Food Service Solution (aka. Maines Paper & Food				400	1	8.0%
AMPAC				200	6	4.0%
Fellowes Manufacturing				150	9	3.0%
Wilson Pet Supply				120	10	2.4%
Total	2,760		35.6%	2,188		43.8%

Data Source: 2021 Illinois Manufacturers Directory and 2021 Illinois Services Directory

VILLAGE OF HANOVER PARK, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2022 (Unaudited)**

Function/Program	4/30/2014	12/31/2014*	12/31/2015	12/31/2016
General Government				
Village Clerk	2	2	2	2
Administration	2	2	2	3
Human Resources	3	4	3	3
Information Technology	3	3	3	3
Finance	9	10	11	11
Public Works	36	36	36	38
Police	80	85	85	85
Fire	41	41	41	41
Community Development	2	3	3	3
Water and Sewer	10	10	10	9
Totals	188	196	196	198

Data Source: Village Records

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

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
2	2	2	2	1	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
34	34	32	33	33	34
84	81	85	85	85	85
41	41	41	41	40	41
3	3	3	4	4	4
12	15	15	15	15	15
196	196	198	200	198	200

VILLAGE OF HANOVER PARK, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2022 (Unaudited)**

Function/Program	4/30/2014	12/31/2014*	12/31/2015	12/31/2016
Public Works				
Forestry				
Number of Parkway Trees Planted	140	—	159	630
Number of Parkway Trees Trimmed	1,870	1,550	1,467	1,570
Brush Pickup Program (Cubic Yards Collected)	1,400	965	1,090	1,095
Fleet Services				
Number of Vehicles Maintained	154	154	156	156
Preventative Maintenance Services	422	420	435	408
Public Safety				
Fire				
Number of Fire Calls	1,120	653	1,089	1,101
Number of EMS Calls	2,458	1,845	2,434	2,455
Number of Training Hours	14,563	9,982	15,954	14,120
ISO Rating	4	4	2	2
Police				
Part I Crime	379	290	305	295
Part II Crime	5,600	2,626	3,583	3,998
Calls for Service	45,244	28,375	43,255	49,150
State Tickets Issued	7,793	4,617	6,807	7,116
Compliance Tickets Issued	5	—	—	1,463
Parking Tickets Issued	11,609	7,709	9,270	10,223
Community Development				
Number of Building Permits Issued	987	684	1,654	1,896
Number of Building Inspections	2,965	1,829	5,896	6,076
Number of Food Service Inspections	496	295	422	401
Highways and Streets				
Sidewalk Replaced (Square Feet)	23,600	23,690	28,159	20,661
Annual Resurfacing Program (\$)	799,039	900,000	—	1,082,954
Crack Sealing (Pounds Installed)	22,680	15,600	16,080	16,666
Water and Sewer				
Water Main Breaks	43	43	41	55
Hydrants Flushed	1,475	1,599	1,475	1,482
Water Meters Read	40,462	40,462	41,239	107,171
Water Meter Service Requests	3,765	3,765	4,477	3,393
Water Meters Replaced	25	25	102	100
Total Distribution Pumpage (1,000 Gallons)	889,160	873,958	886,487	806,682
Average Daily Pumpage (1,000 Gallons)	2,436	2,394	2,429	2,204
Sanitary Sewer Televising (Feet)	2,801	600	20,831	54,051
Sanitary Sewer Repairs	1	1	2	5

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.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
521	548	587	—	—	75
959	1,435	1,516	—	1,550	1,200
905	705	835	685	965	560
161	160	160	155	156	151
477	442	456	471	475	428
1,265	1,360	1,011	981	991	1,222
2,293	2,197	2,478	2,412	2,699	2,853
13,595	14,389	13,435	8,508	7,549	7,225
2	2	2	2	2	2
279	250	288	297	234	234
3,637	3,797	3,089	2,111	2,164	2,296
48,763	4,765	43,406	39,056	40,992	40,644
7,319	6,577	6,929	5,111	5,136	5,448
—	1,497	2,662	793	902	521
9,058	9,481	9,206	4,423	6,936	9,044
1,971	2,020	1,952	1,499	1,727	1,901
5,773	6,033	3,460	3,638	3,644	3,805
386	313	396	430	155	161
25,260	27,929	32,360	33,542	49,907	79,135
842,910	908,441	2,554,715	1,428,568	2,246,570	4,556,301
18,000	19,050	15,900	—	17,000	—
63	81	56	53	63	72
1,546	1,488	1,428	1,484	1,461	1,633
118,874	157,217	143,121	161,561	161,561	19,855
3,097	5,053	318	3,843	1,900	849
136	247	149	61	11	32
815,048	870,411	849,511	854,638	893,382	935,535
2,233	2,385	2,327	2,335	2,448	2,555
27,692	21,579	2,585	14,631	43,768	94,334
2	8	1	2	5	3

VILLAGE OF HANOVER PARK, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2022 (Unaudited)**

Function/Program	4/30/2014	12/31/2014*	12/31/2015	12/31/2016
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	80.13	80.13	80.13
Sidewalks (Miles)	155.15	155.25	155.25	155.30
Streetlights	1,141	1,088	1,088	1,088
Water and Sewer				
Water Mains (Miles)	112.35	112.35	112.35	112.35
Fire Hydrants	1,477	1,475	1,482	1,483
Sanitary Sewers (Miles)	93.80	93.80	94.03	94.03
Manholes	2,348	2,348	2,353	2,353

Data Source: Village Records

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

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
1	1	1	1	1	1
20	20	20	20	20	20
2	2	2	2	2	2
80.13	85.22	85.22	85.22	85.41	85.41
155.37	155.37	155.38	155.38	155.57	155.57
1,121	1,154	1,160	1,185	1,185	1,306
112.35	125.58	125.58	125.58	126.39	122.16
1,482	1,485	1,482	1,482	1,495	1,503
94.03	93.10	93.10	93.10	93.10	93.10
2,353	2,383	2,353	2,353	2,394	2,394