

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2016

Name of Redevelopment Project Area: Village Center RPA (TIF #3)
Primary Use of Redevelopment Project Area*:
If "Combination/Mixed" List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <u>X</u> Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	x	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		x
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		x
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		x
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	x	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	x	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	x	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		x
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	x	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	x	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		x
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		x
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements labeled Attachment M	x	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2016

TIF NAME: Village Center RPA (TIF #3)

Fund Balance at Beginning of Reporting Period \$ 3,154,532

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 1,790,831	\$ 12,666,977	95%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 12,239	\$ 215,219	2%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources		\$ 323,413	2%
Private Sources		\$ 85,000	1%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 10,934	0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 1,803,070

Cumulative Total Revenues/Cash Receipts \$ 13,301,543 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 522,811

Distribution of Surplus

Total Expenditures/Disbursements \$ 522,811

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 1,280,259

FUND BALANCE, END OF REPORTING PERIOD* \$ 4,434,791

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (6,611,639)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2016

TIF NAME: Village Center RPA (TIF #3)

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Legal Services (Bernie Paul and Bryan Cave LLP)	139,189	
Prof. Services - Hanover Square (S.B. Friedman & Co)	28,090	
Postage and Miscellaneous expenses	117	
Clauss Brother Inc - Landscaping Ontarioville	4,105	
		\$ 171,501
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
ARF Developer Incentive	41,465	
NuCare Developer Incentive	309,845	
		\$ 351,310
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 522,811

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2016

TIF NAME: Village Center RPA (TIF #3)

FUND BALANCE, END OF REPORTING PERIOD \$ 4,434,791

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
NuCare Services Reimbursement (PAYG Note)	\$ 1,900,000	\$ 63,792
Animal Clinic Reimbursement (PAYG Notes)	\$ 400,000	\$ 73,638

Total Amount Designated for Obligations \$ 2,300,000 \$ 137,430

2. Description of Project Costs to be Paid

Planning, Legal, Admin, Marketing - FY2017 and Beyond		\$ 255,000
Property Assembly - FY2017 and Beyond		\$ 2,500,000
Building Rehab - FY2017 and Beyond		\$ 1,000,000
Public Works, Utility & Pkg Improvements - FY2017 and Beyond		\$ 5,154,000
Developer Interest Subsidies - FY2017 and Beyond		\$ 2,000,000

Total Amount Designated for Project Costs \$ 10,909,000

TOTAL AMOUNT DESIGNATED \$ 11,046,430

SURPLUS*/(DEFICIT) \$ (6,611,639)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2016

TIF NAME: Village Center RPA (TIF #3)

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2016

TIF NAME: Village Center RPA (TIF #3)

*Page 1 is to be included with TIF Report. Pages 2-3 are to be included ONLY if projects are listed.

Box below must be filled in with either a check or number of projects, not both

Check if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____**ENTER** total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below* 11

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 40,602,728	\$ 1,505,000	\$ 42,078,628
Public Investment Undertaken	\$ 4,822,658	\$ 1,245,000	\$ 6,844,655
Ratio of Private/Public Investment	8.4		6.1

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

<i>Hanover Square Shopping Center - General</i>			
Private Investment Undertaken (See Instructions)	\$ 1,356,419	\$500,000	\$ 1,856,419
Public Investment Undertaken	\$ 3,068,291	\$ 1,000,000	\$ 4,068,291
Ratio of Private/Public Investment	0.4		0.5

Project 2:

<i>Suburban Tire, 2064 Lake St. (Village Center)</i>			
Private Investment Undertaken (See Instructions)	\$ 1,496,700		\$ 1,496,700
Public Investment Undertaken	\$ 162,675		\$ 162,675
Ratio of Private/Public Investment	9.2		9.2

Project 3:

<i>E. Kinast Distributors, 6350 Church Rd. (Business Park)</i>			
Private Investment Undertaken (See Instructions)	\$ 4,232,737		\$ 4,203,637
Public Investment Undertaken	\$ 12,026		\$ 12,026
Ratio of Private/Public Investment	352.0		349.5

Project 4:

<i>Church St. Station - Townhomes</i>			
Private Investment Undertaken (See Instructions)	\$ 13,761,826	\$ 500,000	\$ 14,261,826
Public Investment Undertaken	\$ 50,000		\$ 50,000
Ratio of Private/Public Investment	275.2		285.2

Project 5:

<i>Church St. Station - Commercial</i>			
Private Investment Undertaken (See Instructions)	\$ 2,350,712	\$ 500,000	\$ 2,850,712
Public Investment Undertaken			
Ratio of Private/Public Investment	-		-

Project 6:

<i>HP Animal Care Center (ARF), 1920 Ontarioville Rd.</i>			
Private Investment Undertaken (See Instructions)	\$ 2,386,234		\$ 2,386,234
Public Investment Undertaken	\$ 307,922	\$ 45,000	\$ 400,000
Ratio of Private/Public Investment	7.7		6.0

Project 7: <i>The Claremont, 2000 Lake St. (150 Bed Skilled Nursing Facility)</i>			
Private Investment Undertaken (See Instructions)	\$ 15,000,600		\$ 15,000,600
Public Investment Undertaken	\$ 870,081	\$ 200,000	\$ 1,800,000
Ratio of Private/Public Investment	17.2		8.3

Project 8: <i>Devon Avenue Water Main Extension</i>			
Private Investment Undertaken (See Instructions)	\$ 10,000		\$ 10,000
Public Investment Undertaken	\$ 66,830		\$ 66,830
Ratio of Private/Public Investment	0.1		0.1

Project 9: <i>Vacant House Removal, 2144 Lake St.</i>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 7,900		\$ 7,900
Ratio of Private/Public Investment	-		-

Project 10: <i>Lakewood Restaurant, 2020 Lake St (BT Realty LLC)</i>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 253,158		\$ 253,158
Ratio of Private/Public Investment	-		-

Project 11: <i>Building Demolition, 2152 Lake Street</i>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 23,775		\$ 23,775
Ratio of Private/Public Investment	0		0

Project 12: <i>Computer Systems, 1985 Devon Ave</i>			
Private Investment Undertaken (See Instructions)	\$ 6,000		\$ 6,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13: <i>Strip Mall, 2180 Lake Street</i>			
Private Investment Undertaken (See Instructions)	\$ 1,500	\$5,000	\$ 6,500
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



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JULIANA A. MALLER

ATTACHMENT B

I, Rodney S. Craig, the elected Chief Executive Officer of the Village of Hanover Park, County of Cook and County of DuPage, State of Illinois, do hereby certify that to the best of my knowledge, the Village complied the Village Center RPA (TIF # 3) TIF Report with the requirements pertaining to the Illinois Tax Incremental Redevelopment Allocation Act during the fiscal year beginning January 1, 2016 and ending December 31, 2016.



Village President

8/21/2017

Date

LAW OFFICES OF
BERNARD Z. PAUL
231 SOUTH FOURTH STREET
DEKALB, ILLINOIS 60115-3732

BERNARD Z. PAUL
bernardzpaul@gmail.com

TELEPHONE
(815)756-1312
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OPINION OF LEGAL COUNSEL

Re: Village of Hanover Park, Illinois (the "**Village**") Village Center Redevelopment Project Area - TIF #3 (the "**TIF #3**") / Annual Tax Increment Finance Report for the Fiscal Year ended December 31, 2016

In connection with the "Annual Tax Increment Finance Report" under 65 ILCS 5/11-74.4-5(d) (the "**Act**") for the fiscal year ending December 31, 2016 for the Village Center Redevelopment Project Area - TIF #3 (the "**Annual Report**"), I am acting as the Village Attorney for the Village of Hanover Park, and, based upon review of the Annual Report, in reliance on representations made by officers and employees of the Village in such Annual Report, and in reliance on the Village's officials and tax increment finance planners as to all proceedings preliminary to, in connection with and related to the adoption of tax increment finance, the approval of the redevelopment plan and redevelopment project and the designation of the Village Center Redevelopment Project Area - TIF #3, as such adoption, approval and designation have been supplemented and amended, but without making any independent investigation or inquiry in connection with any of the foregoing, as of December 31, 2016, nothing had come to my attention during said period to lead me to conclude other than that the Village as of such date was in compliance with the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*).

In connection herewith, I am assuming the accuracy, completeness and sufficiency of all documents, statements and representations by and on behalf of the Village and its officers and agents provided to me related to such TIF and in the Annual Report, and I express no opinion as to (i) the sufficiency or completeness of the Annual Report (or any Village Center Redevelopment Project Area - TIF #3 audit), (ii) the receipt and application of incremental taxes, or (iii) the authorization, execution and binding effect of any development or redevelopment or other similar agreement or payment of redevelopment project costs related to such TIF. This constitutes the "**opinion of legal counsel**" under the Act, and may not be cited or used in connection with anything other than submission with the Annual Report.

Dated as of: August 24, 2017

Very truly yours,



Bernard Z. Paul

Attachment D –Activities Summary

TIF #3 – Village Center Redevelopment Plan

Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken [65 ILCS 5/11-74.4-5 (d) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]

The Village of Hanover Park, Illinois Village Center Tax Increment Redevelopment Project and Plan (“TIF #3”) was approved on May 24, 2001 and filed with Cook and DuPage Counties on October 17, 2002. A portion of TIF #3 was included in the Village’s former TIF #1, which was terminated in December 2001. The entire area of TIF #3 is known as the Village Center Area.

During the fiscal year beginning January 1, 2016 and ending December 31, 2016 (FY 2016), various activities and projects were undertaken in furtherance of the objectives of TIF #3, including the following:

- 1) Exterior renovations of the Hanover Square shopping continued in 2016 which included new exterior façade cladding, upgraded lights and new awnings.
- 2) Gymkhana, a gymnastics school, opened in their new 25,000 sq. ft. business inside of Hanover Square Shopping Center.
- 3) The Education and Work Center, located inside the Hanover Square Shopping Center, continues serving the community. Over 5,000 people visited this facility in their first year of operation seeking assistance with GED equivalency and ESL classes. Additionally, the demand for ESL classes far exceeded expectation where 400 people were on a waiting list to join an ESL class.
- 4) A new business signed a lease in the Church Street Station Shopping Center, Athletico at 1744 Lake Street, which resulted in this shopping center reaching a level of 100% occupancy. The build-out and certificates of occupancy occurred for Athletico during 2016.
- 5) Continued landscaping in the Village Center area – Ontarioville Park and Lake Street medians.
- 6) Continued reimbursement of Redevelopment Agreement with ARF – Hanover Park Animal Care.
- 7) Reimbursement of Redevelopment Agreement with NuCare – 2000 Lake Street Rehab Facility redevelopment.
- 8) The Village of Hanover Park demolished a small office building at 2152 Lake Street which is located on Village-owned land. The building was razed to help prep the site for marketing and future development. Village representatives are actively marketing the property for redevelopment.



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VILLAGE MANAGER
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ATTACHMENT H VILLAGE OF HANOVER PARK

JOINT REVIEW BOARD MEETING Tax Increment Financing District (TIF) # 3 Village Center Redevelopment Plan

Community Room - Police Department
2011 Lake Street, Hanover Park, IL 60133

Wednesday, December 21, 2016
2:30 p.m.

MINUTES

1. CALL TO ORDER: ROLL CALL

Mayor Craig called the meeting to order at 2:31 p.m.

Present:

Ron Pauli	Poplar Creek Library
Suzanne Powers	Hanover Township James Barr's Office
Larry Weniger	Township of Schaumburg

Staff:

Village Manager Juliana Maller
Village President Rodney Craig
Community & Economic Development Director Shubhra Govind
Finance Director Remy Navarrete
Village Attorney Bernard Paul
Deputy Clerk Tish Clark
Village Planner Patrick Ainsworth
Administrative Assistant Kathleen Arnold

2. ACCEPTANCE OF AGENDA:

Motion by Larry Weniger, seconded by Suzanne Powers to accept the Agenda.
Voice Vote; All ayes.

3. APPROVAL OF MINUTES – March 18, 2015:



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VILLAGE MANAGER
JULIANA A. MALLER

Motion by Suzanne Powers, seconded by Larry Weniger to approve the minutes of March 18, 2015.

Voice Vote. All ayes.

4. SELECTION OF PUBLIC MEMBER:

Efrian Rojas not present.

5. SELECTION OF CHAIR:

Motion by Larry Weniger, seconded by Suzanne Powers to select Mayor Craig as Chair.

Voice Vote: All ayes.

6. REVIEW OF TIF REPORTS

Community & Economic Development Director Shubhra Govind explained that the Village changed its fiscal year from May-April to Jan-Dec, and as such, the State indicated that the Village should submit a 20-month report (8 months of 2014 from May through December and 12 months of 2015). This was also conveyed to the Joint Review Board.

Director Govind reviewed the TIF Financial Report and noted the following activities for TIF 3:

During the shortened fiscal year beginning May 1, 2014, and ending December 31, 2014 (FY 2014b) and the new fiscal year beginning January 1, 2015 and ending December 31, 2015 (FY 2015), various activities and projects were undertaken in furtherance of the objectives of TIF #3, including the following:

- 1) Village entered into a Redevelopment Agreement with a Developer for the façade and property renovations of Hanover Square Shopping Center.
- 2) Renovations of the shopping center started in November 2015 and were continuing into 2016.
- 3) Gymkhana, a gymnastics school, signed a lease for a 25,000 square foot space which will serve as the primary anchor in the Hanover Square Shopping Center. The build-out was going on the same time as the shopping center renovations.
- 4) Construction took place for the build-out at 6704 Barrington which was for the Education and Work Center. This 10,000 square foot satellite campus is a collaboration with Elgin Community College, Harper Community College, Village of Hanover Park, Illinois WorkNet and the state of Illinois.
- 5) The Education and Work Center opened their doors to the public in August 2014. This facility provides GED, ESL classes, resume and cover lettering writing instruction to the public. Over 5,000 people visited this facility in their first year of operation.



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Additionally, the demand for ESL classes far exceeded expectation where 400 people were on a waiting list to join an ESL class.

- 6) New businesses signed leases in the Church Street Station Shopping Center, Super Cuts at 1744 Lake Street and Allstate Insurance at 1752 Lake Street. The build-outs and certificates of occupancy occurred during the 20 month reporting period.
- 7) M/I Homes finished the remaining townhome development in Church Street Station during the reporting year. The remaining townhomes sold and gained occupancy in 2014 and 2015.
- 8) Continued landscaping in the Village Center area – Ontarioville Park and Lake Street medians.
- 9) Continued reimbursement of Redevelopment Agreement with ARF – Hanover Park Animal Care.
- 10) Reimbursement of Redevelopment Agreement with NuCare – 2000 Lake Street Rehab Facility redevelopment.

7. **QUESTIONS/DISCUSSION:**

Larry Weniger asked where the site of the future downtown will be.

Director Govind responded there is land available for redevelopment at Devon and Ontarioville Road. The Village anticipates the project will be funded by a grant.

8. **PUBLIC COMMENTS: None.**

9. **ADJOURNMENT: 2:41 a.m.**

Motion by Larry Weniger to adjourn, seconded by Suzanne Powers.
Voice Vote: All ayes.

Recorded and Transcribed by:

Kathleen Arnold, Administrative Assistant
this 21st day of December, 2016.

VILLAGE OF HANOVER PARK, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Matters

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

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

Sikich LLP

Naperville, Illinois

July 28, 2017

Except for the discretely presented component unit, Hanover Square, whose opinion date is August 11, 2017

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 1,662,940	\$ 1,662,940	\$ 1,790,831
Investment income	1,000	1,000	12,239
Total revenues	<u>1,663,940</u>	<u>1,663,940</u>	<u>1,803,070</u>
EXPENDITURES			
Current			
Community development			
Contractual services	680,000	680,000	518,706
Capital outlay	<u>650,000</u>	<u>650,000</u>	<u>4,105</u>
Total expenditures	<u>1,330,000</u>	<u>1,330,000</u>	<u>522,811</u>
NET CHANGE IN FUND BALANCE	<u>\$ 333,940</u>	<u>\$ 333,940</u>	1,280,259
FUND BALANCE, JANUARY 1			<u>3,154,532</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 4,434,791</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Community development			
Contractual services	100,000	100,000	536
Total expenditures	100,000	100,000	536
NET CHANGE IN FUND BALANCE	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	(536)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(24,674)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (25,210)</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 6,600	\$ 6,600	\$ 4,860
Investment income	-	-	6
Miscellaneous	-	-	21,000
	<hr/>	<hr/>	<hr/>
Total revenues	6,600	6,600	25,866
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	40,000	70,000	65,229
	<hr/>	<hr/>	<hr/>
Total expenditures	40,000	70,000	65,229
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (33,400)</u>	<u>\$ (63,400)</u>	(39,363)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(29,254)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (68,617)</u></u>

(See independent auditor's report.)



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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

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

We have examined management's assertion that the Village of Hanover Park, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2016 for Village Center TIF District (TIF #3), West Irving Park Road Corridor TIF District (TIF #4) and East Irving Park Road TIF District (TIF #5). The Village's management is responsible for its assertion. Our responsibility is to express an opinion on the Village's assertion about the Village's compliance with the specified requirements based on our examination.

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

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

In our opinion, management's assertion that the Village of Hanover Park, Illinois complied with the aforementioned requirements for the year ended December 31, 2016 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees, the Illinois Comptroller's Office, the Joint Review Board and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
April 27, 2017