





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

Provide an analysis of the special tax allocation fund.

**FY 2018**

**TIF NAME:**

**\*West Irving Park Corridor RPA (TIF #4)**

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (25,747)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 25,108	\$ 1,203,338	56%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 154	\$ 5,626	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources		\$ 939,500	44%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**All Amount Deposited in Special Tax Allocation Fund** \$ 25,262

**Cumulative Total Revenues/Cash Receipts** \$ 2,148,464 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ 30,135

**Transfers to Municipal Sources**

**Distribution of Surplus**

**Total Expenditures/Disbursements** \$ 30,135

**Net/Income/Cash Receipts Over/(Under) Cash Disbursements** \$ (4,874)

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ (30,621)

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

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

FY 2018

TIF NAME:

\*West Irving Park Corridor RPA (TIF #4)

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment project costs )

PAGE 1

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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Legal Services (Bernard Paul)	6,601	
		\$ 6,601
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ 23,535
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the constructuion of public works or improvements.		
		\$ -





Section 3.2 B

FY 2018

TIF NAME:

\*West Irving Park Corridor RPA (TIF #4)

*Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.*

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

Name	Service	Amount
Richard & Jean Breslich Trust	Property Tax incentive 2016 & 2017	\$ 23,534.84

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

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

FY 2018

TIF NAME:

\*West Irving Park Corridor RPA (TIF #4)

FUND BALANCE BY SOURCE

\$ (30,621)

Amount of Original Issuance	Amount Designated
-----------------------------	-------------------

**1. Description of Debt Obligations**

General Fund Agreement - Upfront Funding of TIF Costs	\$ 939,500	\$ 539,500
Menard Redevelopment Agreement	\$ 2,000,000	\$ 1,448,377

**Total Amount Designated for Obligations**

\$ 2,939,500	\$ 1,987,877
--------------	--------------

**2. Description of Project Costs to be Paid**

Admin, Legal, Prof Design & Studies - FY2019 & Beyond	\$ 20,000
Reimburse General Fund - Land, Public Improv., Other	\$ 200,000
Property Assembly, Demolition, Env - FY2019 & Beyond	\$ 1,100,000
Public Works, Utility & Parking Improv. - FY2019 & Beyond	\$ 770,000

**Total Amount Designated for Project Costs**

\$ 2,090,000

**TOTAL AMOUNT DESIGNATED**

\$ 4,077,877

**SURPLUS/(DEFICIT)**

\$ (4,108,498)

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

**FY 2018**

**TIF NAME:**

**\*West Irving Park Corridor RPA (TIF #4)**

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

**Check here if 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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2018

TIF Name:

\*West Irving Park Corridor RPA (TIF #4)

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	10

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 32,783,594	\$ 1,500,000	\$ 38,267,998
Public Investment Undertaken	\$ 1,734,011	\$ 105,000	\$ 4,560,904
Ratio of Private/Public Investment	18 29/32		8 16/41

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: Menards- 7435 Barrington Road**

Private Investment Undertaken (See Instructions)	\$ 23,748,352	\$ 1,500,000	\$ 27,231,920
Public Investment Undertaken	\$ 1,143,559	\$ 65,000	\$ 3,280,452
Ratio of Private/Public Investment	20 56/73		8 25/83

**Project 2\*: Popeye's Chicken**

Private Investment Undertaken (See Instructions)	\$ 1,000,000		\$ 1,000,000
Public Investment Undertaken	\$ 10,000		\$ 10,000
Ratio of Private/Public Investment	100		100

**Project 3\*: Schaumburg Library District - Hanover Park Branch**

Private Investment Undertaken (See Instructions)	\$ 2,304,005		\$ 2,304,005
Public Investment Undertaken	\$ 50,000		\$ 50,000
Ratio of Private/Public Investment	46 2/25		46 2/25

**Project 4\*: IPR/Kingsbury Pedestrian Signal**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 33,955		\$ 33,955
Ratio of Private/Public Investment	0		0

**Project 5\*: El Pollo Loco, 7310 Barrington Rd.**

Private Investment Undertaken (See Instructions)	\$ 790,231		\$ 790,231
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 6\*: Bank of America, 1500 Irving Park Rd.**

Private Investment Undertaken (See Instructions)	\$ 2,096,610		\$ 3,995,610
Public Investment Undertaken	\$ 50,000		\$ 50,000
Ratio of Private/Public Investment	41 55/59		79 52/57

**Project 7\*: Irving Park Streetscape/Lighting**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$	21,497	\$ 21,497
Ratio of Private/Public Investment		0	0

**Project 8\*: Charter National Bank, 1420 Irving Park Rd.**

Private Investment Undertaken (See Instructions)	\$	188,596	\$ 296,232
Public Investment Undertaken	\$	125,000	\$ 125,000
Ratio of Private/Public Investment		1 29/57	2 27/73

**Project 9\*: Harbor Freight Tools & Auto Zone, 1557-1559 Irving Park Rd.**

Private Investment Undertaken (See Instructions)	\$	2,655,800	\$ -	\$ 2,650,000
Public Investment Undertaken	\$	-	\$40,000	\$ 690,000
Ratio of Private/Public Investment		0		3 58/69

**Project 10\*: Corfu Restaurant Purchase & Demo, 1311 Irving Park**

Private Investment Undertaken (See Instructions)	\$	-	\$ -	\$ -
Public Investment Undertaken	\$	300,000		\$ 300,000
Ratio of Private/Public Investment		0		0

**Project 11\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

**Project 12\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

**Project 13\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

**Project 14\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

**Project 15\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

**Project 16\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 17\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 18\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 19\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 20\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 21\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 22\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 23\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 24\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 25\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0





# Village of Hanover Park Administration

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

hpiil.org

Village President  
Rodney S. Craig

Village Clerk  
Eira L. Corral Sepúlveda

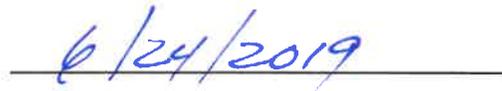
Trustees  
James Kemper  
Fanny Y. López Benítez  
Herb Porter  
Bob Prigge  
Rick Roberts  
Sharmin Shahjahan

Village Manager  
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's TIF # 4 – West Irving Park Road Corridor RPA TIF Report complies with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning January 1, 2018 and ending December 31, 2018.

  
Village President

  
Date

ATTACHMENT C

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

BERNARD Z. PAUL  
bernardzpaul@gmail.com

TELEPHONE  
(815)756-1312  
(fax) (815)758-2863

**OPINION OF LEGAL COUNSEL**

---

Re: Village of Hanover Park, Illinois (the "**Village**") West Irving Park Corridor Redevelopment Project Area - TIF #4 (the "**TIF #4**") / Annual Tax Increment Finance Report for the Fiscal Year ended December 31, 2018

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, 2018 for the West Irving Park Corridor Redevelopment Project Area - TIF #4 (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 personnel, planners, consultants and the Village's management 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 West Irving Park Corridor Redevelopment Project Area - TIF #4, 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, 2018, 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 West Irving Park Corridor Redevelopment Project Area - TIF #4 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: June 28, 2019

Very truly yours,

  
Bernard Z. Paul

## **Attachment D – Activities Statement**

### **TIF #4 – West Irving Park Road Corridor RPA**

**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 West Irving Park Road Corridor Tax Incremental Redevelopment Project and Plan* (“TIF #4”) was approved on September 1, 2005. TIF #4 is located immediately east of Barrington Road, along Irving Park Road.

During the fiscal year beginning January 1, 2018 and ending December 31, 2018 (FY2018), various activities and projects were undertaken in furtherance of the objectives of TIF #4, including the following:

- 1) A new business “Country Style Donuts” opened at 1519 Irving Park Road in 2017. This 3200 sq. ft. restaurant had been vacant since December 2015. Several new jobs have been brought to this location, along with an investment of about \$150,000 in remodeling and renovations. The Village approved Resolution R-17-28 in support of a 7C Real Estate Tax Incentive through Cook County. Staff participated in Cook County hearings for the 7c Application incentive, which has been approved.
- 2) Recruited and coordinated with a fast-casual restaurant user for the Village-owned land at 1311 Irving Park Road (former Corfu restaurant) – but applicant withdrew.
- 3) Menards purchased the bank property located at 1420 Irving Park Road, demolished the vacant building, seeded the site and submitted an application for an expansion of the building materials warehouse, a detention pond and new landscaping along the periphery of the site, as well as the consolidation of that lot with the Menards lot. The Special Use and PUD Amendment has been approved by the Village’s Development Commission, with formal approval expected from the Village Board in 2019. Once constructed, the expansion is anticipated to improve the sales volume as well as the EAV of the property.
- 4) A new restaurant (Yummy Station) is moving into a vacant space at 1553 Irving Park Road and expected to open in early 2019.



**Village of Hanover Park  
Administration**

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**Trustees**  
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Herb Porter  
Bob Prigge  
Rick Roberts  
Sharmin Shahjahan

**Village Manager**  
Juliana A. Maller

**VILLAGE OF HANOVER PARK**

**Joint Review Board Meeting  
Tax Increment Financing District (TIF) # 4  
West Irving Park Road Corridor RPA**

**Municipal Building: 2121 Lake Street, Rm. 214, Hanover Park, IL 60133**

**Tuesday, November 13, 2018**

**3:10 p.m.**

**MINUTES**

**1. CALL TO ORDER: ROLL CALL**

Mayor Craig called the meeting to order at 3:28 p.m.

**Present:**

Ric King School Dist 54  
Bob O'Brien Hanover Park Park District  
Village President Rodney Craig

**Staff:**

Village Manager Juliana Maller  
Village Attorney Bernard Paul  
Community & Economic Development Director Shubhra Govind  
Finance Director Remy Navarrete  
Village Planner Ellen Weber  
Sr. Administrative Assistant Kathleen Arnold

**2. SELECTION OF CHAIR:**

Motion by Ric King, seconded by Bob O'Brien to select Mayor Craig as Chair.  
Voice Vote: All ayes.

**3. ACCEPTANCE OF AGENDA:**

Motion by Ric King, seconded by Bob O'Brien to accept the Agenda.  
Voice Vote; All ayes.

**4. APPROVAL OF MINUTES – December 11, 2017:**

Motion by Ric King, seconded by Bob O'Brien to approve the minutes of December 11, 2017.  
Voice Vote. All ayes.

## **5. SELECTION OF PUBLIC MEMBER:**

Manan Joshi had been invited but was not present.

## **6. REVIEW OF TIF REPORTS**

Community & Economic Development Director Shubhra Govind explained that these activities are for the fiscal year of 2017.

Director Govind reviewed the TIF Financial Report and noted the following activities for TIF 4:

During the fiscal year beginning January 1, 2017 and ending December 31, 2017 (FY2017), various activities and projects were undertaken in furtherance of the objectives of TIF #4, including the following:

- 1) McDonald's, located at 7455 Barrington Road, remodeled the restaurant, added a Play Place, as well as dual drive-through lanes, with an investment of about \$1.3 million. The property also got significant landscape upgrades and has improved its curb appeal. Sales tax revenue has increased due to the improvements.
- 2) A new business "Country Style Donuts" opened at 1519 Irving Park Road. This 3200 sq. ft. restaurant had been vacant since December 2015. Several new jobs were brought to this location, along with an investment of about \$150,000 in remodeling and renovations. The Village approved Resolution R-17-28 in support of a 7C Real Estate Tax Incentive through Cook County.
- 3) Following the installation of a "For Sale" sign at the Village-owned property located at 1311 Irving Park Road, staff received various inquiries about the property, and began working with a fast-casual restaurant with a drive-thru for this property, with the deal to be finalized in 2018.
- 4) Menards purchased the bank property located at 1420 Irving Park Road, demolished the vacant building, seeded the site and submitted an application for the consolidation of that lot with the Menards lot. The consolidation is proposed along with an expansion of the building materials warehouse, a detention pond and new landscaping along the periphery of the site. The public hearing for the request will be conducted in 2018 for consideration. If approved, this will assist the business increase its sales volume.

## **7. QUESTIONS/DISCUSSION:**

Mayor Craig questioned if there was any money in the TIF?

Finance Director Navarrete stated the TIF currently has a negative monetary value.

Village Manager Maller explained that this TIF was created at the highest level in 2002.

Mayor Craig questioned when this TIF will end and when will it start to generate return?

Village Manger Maller explained until the TIF generates return there will be no reimbursements as directed by each Reimbursement Agreement executed in the TIF district.

Ric King commented that they just completed new assessments and there should be a change in value soon.

## **8. PUBLIC COMMENTS:**

No one from the public was present.

**9. ADJOURNMENT: 3:37 p.m.**

Motion by Ric King to adjourn, seconded by Bob O'Brien.  
Voice Vote: All ayes.

**Recorded and Transcribed by:**

---

**Kathleen Arnold, Sr. Administrative Assistant**  
**this 13<sup>th</sup> day of November, 2018.**

# VILLAGE OF HANOVER PARK, ILLINOIS



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

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2018

**VILLAGE OF HANOVER PARK, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2018

Prepared by Department of Finance

Remy Navarrete  
Director of Finance



# Village of Hanover Park Administration

**Municipal Building**  
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630-823-5600 tel 630-823-5786 fax

[hpil.org](http://hpil.org)

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Herb Porter  
Bob Prigge  
Rick Roberts  
Sharmin Shahjahan

**Village Manager**  
Juliana A. Maller

June 20, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Hanover Park for the fiscal year ending December 31, 2018 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), include all the accounts and funds of the Village, and 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, 2018.

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

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion on the Village's financial statements for the year ending December 31, 2018. The independent auditor's report is in the beginning of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Village of Hanover Park**

The Village of Hanover Park was incorporated in 1958 and operates under the Council-Manager form of government. The Village is a home-rule community as defined by the Illinois State Constitution. The Village is a residential community, with 99.36 miles of streets, located approximately 30 miles northwest of downtown Chicago and encompasses an area of approximately 7 square miles, with 2.75 square miles within Cook County and 4.25 miles within DuPage County. The Village's population, per the 2010 census, is 37,973.

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

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot. In December 2011, the Village purchased the Hanover Square Shopping Center along Barrington Road. A management company specializing in shopping centers was hired by the Village to run operations on behalf of the Village. Weekly meetings between the management company and the Village are held to report financial statements as well as receive updates on the center. In September 2015, the Village entered into a joint venture with a developer to renovate and operate the Hanover Square Shopping Center. Pursuant to the agreement the Village sold the property to the newly established corporation, Hanover Square, LLC, and acquired a 90% ownership interest in the corporation. During the year 2016, the Village became 100% owner of Hanover Square. As a result, Hanover Square is presented as a component unit of the Village as of January 1, 2016. On January 1, 2013, the Village entered a 39-year lease for the Metropolitan Water Reclamation District (MWRD) land also located along Barrington Road. The lease was entered to provide youth programming and visual improvements for the site.

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

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

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

There were 198 full-time positions and 42 part-time positions, excluding seasonal workers, in the Fiscal Year 2018 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, paid on-call firefighters, and Public Works employees.

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

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Hanover Square were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note 16, the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Matters*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
June 20, 2019

Except for the discretely presented component unit, Hanover Square, whose opinion date is June 4, 2019

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, 2018

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 20,000	\$ 20,000	\$ 25,108
Investment income	-	-	153
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>25,261</u>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	<u>100,000</u>	<u>100,000</u>	<u>30,135</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>30,135</u>
NET CHANGE IN FUND BALANCE	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	(4,874)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(25,747)</u>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u><u>\$ (30,621)</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended December 31, 2018

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 14,500	\$ 14,500	\$ 11,616
Investment income	-	-	117
Miscellaneous	-	-	2,628
			<hr/>
Total revenues	14,500	14,500	14,361
			<hr/>
<b>EXPENDITURES</b>			
Current			
Community development			
Contractual services	100,000	100,000	11,226
			<hr/>
Total expenditures	100,000	100,000	11,226
			<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (85,500)</u>	<u>\$ (85,500)</u>	3,135
FUND BALANCE (DEFICIT), JANUARY 1			<u>(69,952)</u>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u><u>\$ (66,817)</u></u>

(See independent auditor's report.)

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

ATTACHMENT L

**SIKICH.COM**

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

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

We have examined management's assertion that the Village of Hanover Park, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2018 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, 2018 is fairly stated, in all material respects.

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

*Sikich LLP*

Naperville, Illinois  
June 20, 2019