



**2022-2023**

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**POPULAR ANNUAL  
FINANCIAL REPORT**

## Message from Township Administrator

Hanover Township is pleased to present the Popular Annual Financial Report (PAFR) for the Fiscal Year 2023. Hanover Township officials believe in maintaining good communication with the residents to promote transparency and ensure that the responsibilities of the Township government are fulfilled efficiently. This PAFR is the Township's third publication intended to enhance the residents' understanding of Hanover Township and how it utilizes tax dollars. Each year, the Township publishes its Comprehensive Annual Financial Report which is a technical, complex, and lengthy report consisting of statistical tables, detailed financial statements, and supplemental schedules. All of these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the standards set by the Governmental Accounting Standard Board (GASB). All information in this report and other Township funds not mentioned here can be found in greater detail in the Township's Comprehensive Annual Financial Report, which is available on the Township's website.

The Township received its twelfth (12<sup>th</sup>) consecutive Certificate of Achievement for Excellence in Financial Reporting award and twelfth (12<sup>th</sup>) consecutive Certificate of Achievement for Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the fiscal year ending March 31<sup>st</sup> 2024. The Certificates of Achievement from GFOA are considered the highest form of recognition in their respective areas. Hanover Township is submitting its first PAFR for the Fiscal Year 2023. These awards show the Township's commitment to fiscal accountability and integrity. Along with road maintenance, property tax assessment services, and emergency services, the Township also provides human services, food pantry, youth and family services, veterans services, aging services, passport services, and community health services. Property taxes are the major revenue source for the Township. Upon reading this report, readers will have greater insight into the Township's financial condition and enhance the accompanying Comprehensive Annual Financial Report, which is available for reference [here](#).

Sincerely,



James C. Barr, MPA  
Township Administrator

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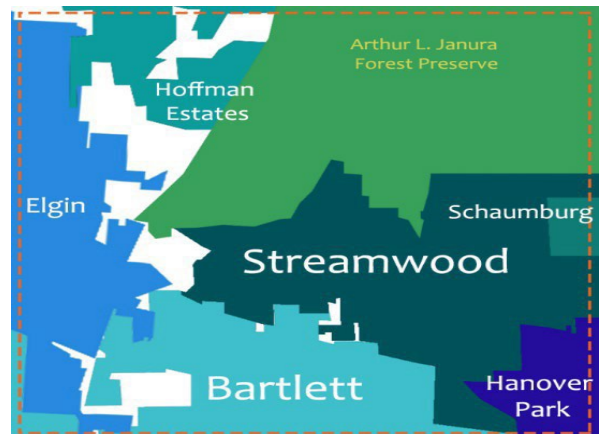
## Hanover Township's History

Hanover was organized as a Township on April 2, 1850, primarily to provide government closer to home than the county seat in Chicago. Land was divided like a checkerboard into six-mile squares called Townships, each Township being roughly 36 square miles. Hanover's location in the checkerboard is designated as Township 411 North, Range 9 East of the Third Principal Meridian - the farthest west of the old "country Towns" of Cook County. In 1850, the first federal census of Hanover Township reported a population of 672. Most of these people were from upstate New York and New England. Ten years later, there were 926 residents, but a marked change in composition had occurred. Most were German Protestants from the Kingdom of Hanover in Germany - hence the Township's name.

The rural government was concerned with collecting the tax, stray animals, control of weeds, and maintenance of roads. After spring and fall rains, roads were apt to become long black ditches of mud. The Clerk organized the machinery for elections. Rural days in Hanover Township ended with the westward spread of the Chicago metropolitan area. The rich land beckoned farmers to this vicinity, and that land has now been taken over by subdivisions, shopping centers, and industrial developments. The windmills and creameries are long gone; only a few white farmhouses and barns remain. The Milwaukee Road trains which once hauled milk cans into Chicago are now carrying commuters. The township government lives on, adapting to the changing times, and still meeting the needs of the residents. Those needs, of course, have changed.

## Hanover Township Overview

Today, Hanover Township is governed by an independently elected Township Board of Trustees. The Township Board consists of the Township Supervisor and four Trustees, which are elected at large from the Township. The Clerk and Assessor are elected simultaneously with the Board. The Assessor is not a voting member of the Board. The Township Clerk votes only in the case of a tie vote to fill a vacancy in a Township office. Hanover Township contains portions of six municipalities within its jurisdiction: Streamwood, Bartlett, Hanover Park, Elgin, Schaumburg, and Hoffman Estates. Specific operating departments within the Township include Department of Administrative Services, Department of Emergency Services, the Office of Community Health, Department of Aging Services, Department of Youth and Family Services, Department of Human Services, Department of Facilities and Road Maintenance, the Office of the Mental Health Board, Assessor's Office, and the Office of Community Affairs.

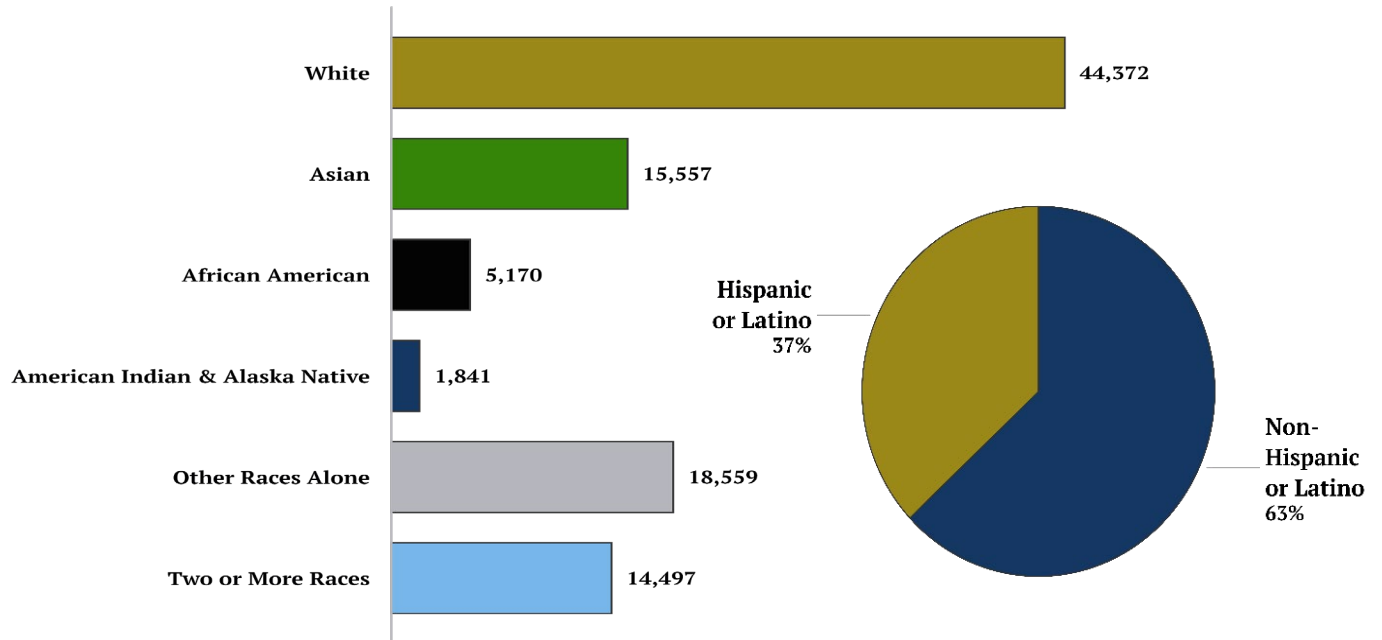




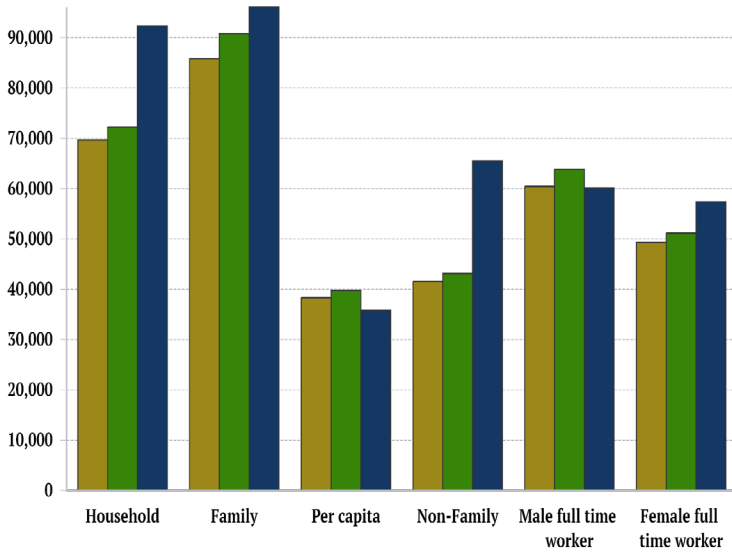
### About Hanover Township

**Total Population: 100,196**

## Population Race and Ethnicity



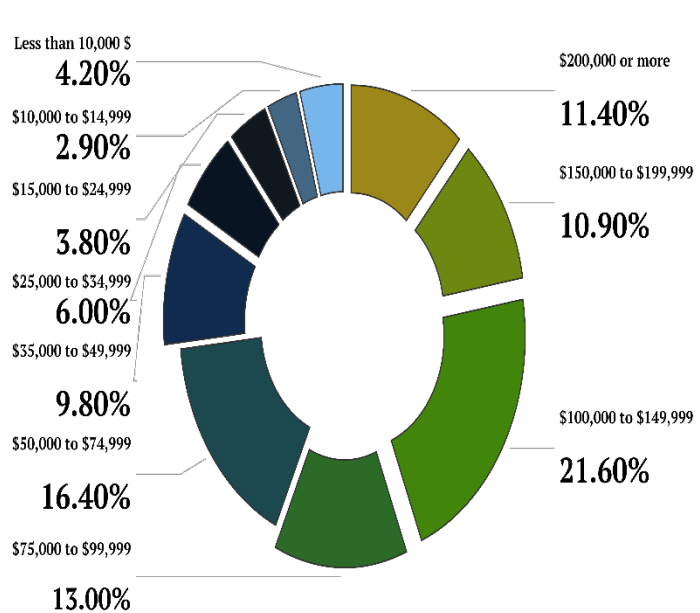
### Median Income



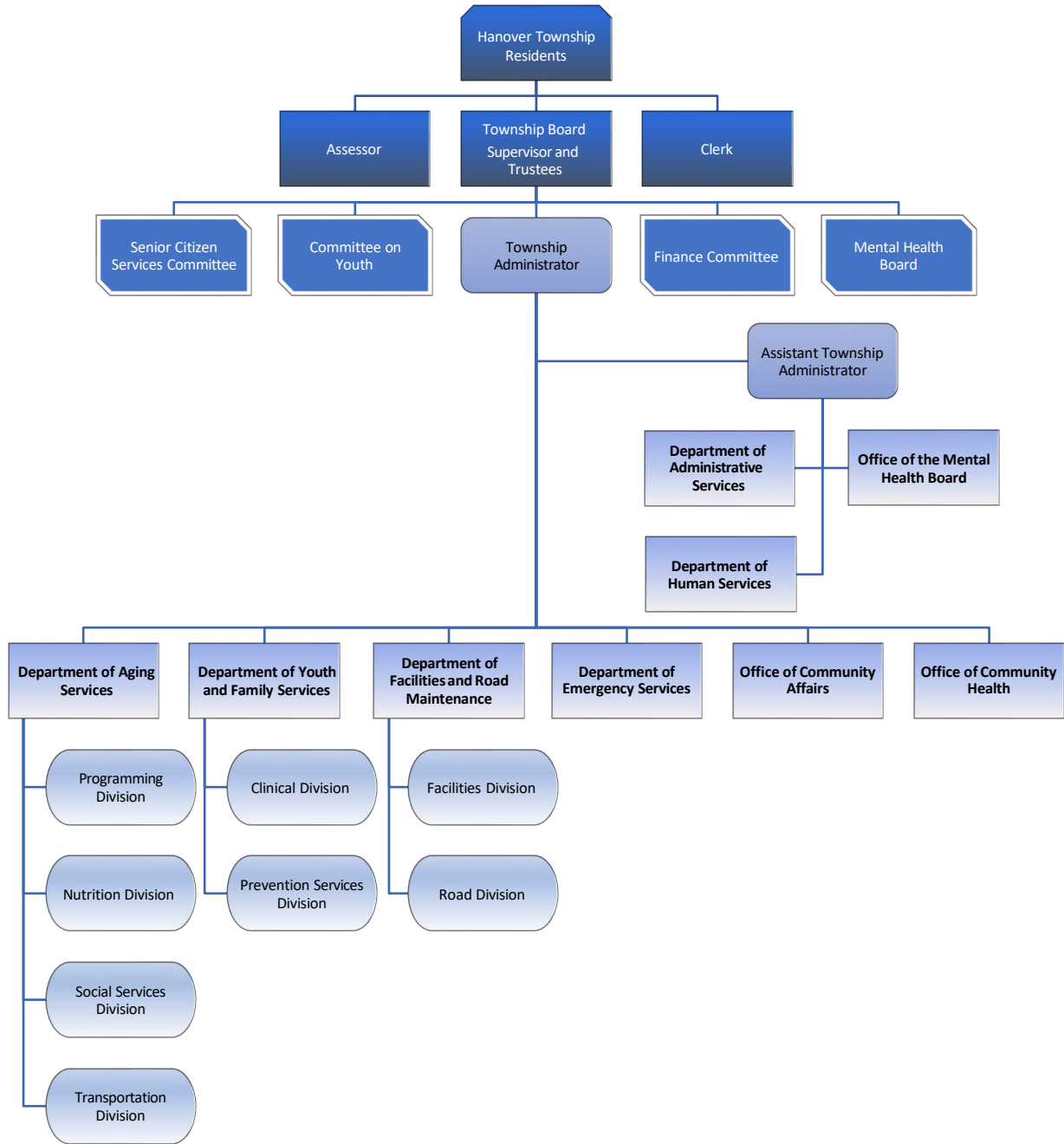
ACS 5 Year Estimates (2017-2021)

### Percent of Household By Income

(ACS 5 Year Estimates 2017-2021)



## Organizational Chart



**Township Board Supervisor, Trustees, and Elected Officials:** From Left: Supervisor Brian P. McGuire, Clerk Katy Dolan Baumer, Assessor Khaja Moinuddin, Trustee Alisa “Lee” Beattie, Trustee Craig Essick, Trustee Eugene N. Martinez, and Trustee Denise Noyola.

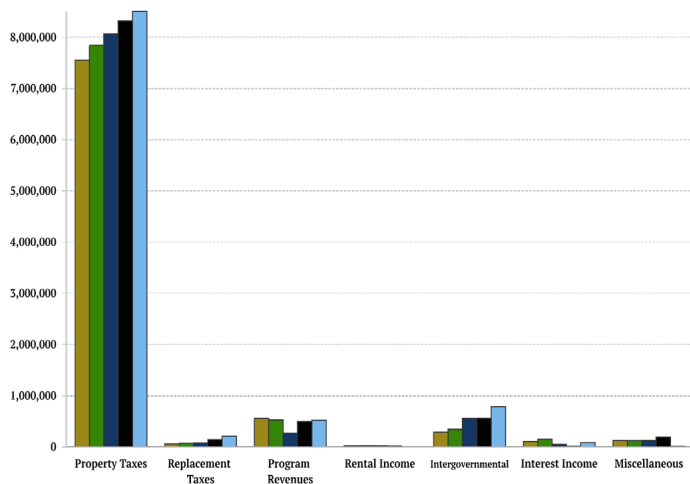
## Hanover Township Overall Revenues and Expenditures

Hanover Township closely monitors its revenues and expenditures, as demonstrated by the table and charts below depicting major revenue sources and expenditures by category (type/fund summary) and the net position change trends for the past five years.

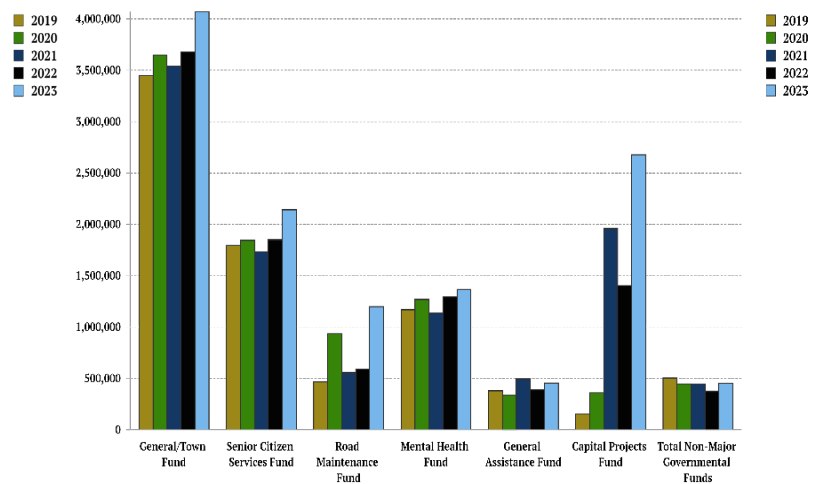
Revenue	2019	2020	2021	2022	2023
Property Taxes	\$ 7,550,729	\$ 7,841,281	\$ 8,065,931	\$ 8,322,452	\$ 8,504,587
Replacement Taxes	\$ 60,958	\$ 72,566	\$ 74,489	\$ 145,282	\$ 211,398
Program Revenues	\$ 560,388	\$ 526,127	\$ 267,925	\$ 496,087	\$ 519,170
Rental Income	\$ 21,600	\$ 23,870	\$ 21,850	\$ 17,800	-
Intergovernmental	\$ 287,338	\$ 343,996	\$ 559,006	\$ 563,169	\$ 785,286
Interest Income	\$ 107,676	\$ 148,829	\$ 49,673	\$ 12,389	\$ 89,025
Miscellaneous	\$ 124,385	\$ 122,655	\$ 129,464	\$ 194,488	\$ 11,097
<b>Total</b>	<b>\$ 8,713,074</b>	<b>\$ 9,079,324</b>	<b>\$ 9,168,338</b>	<b>\$ 9,751,667</b>	<b>\$ 10,120,563</b>

Expenditures	2019	2020	2021	2022	2023
General/Town Fund	\$ 3,448,922	\$ 3,648,613	\$ 3,541,072	\$ 3,679,547	\$ 4,069,871
Senior Citizen Services Fund	\$ 1,795,432	\$ 1,845,122	\$ 1,731,273	\$ 1,850,360	\$ 2,143,107
Road Maintenance Fund	\$ 466,265	\$ 936,499	\$ 556,012	\$ 589,591	\$ 1,198,074
Mental Health Fund	\$ 1,169,349	\$ 1,268,381	\$ 1,136,607	\$ 1,293,888	\$ 1,365,916
General Assistance Fund	\$ 380,694	\$ 338,051	\$ 495,991	\$ 390,048	\$ 454,579
Capital Projects Fund	\$ 154,272	\$ 361,958	\$ 1,958,910	\$ 1,404,189	\$ 2,677,045
<b>Total Non-Major Governmental Funds</b>	<b>\$ 503,716</b>	<b>\$ 446,767</b>	<b>\$ 446,099</b>	<b>\$ 374,468</b>	<b>\$ 453,590</b>
<b>Total</b>	<b>\$ 7,918,650</b>	<b>\$ 8,845,391</b>	<b>\$ 9,865,964</b>	<b>\$ 9,582,091</b>	<b>\$ 12,362,182</b>

Changes in Revenue - Last Five Years Years



Changes in Expenditure by Fund - Last Five Years Years



## Fiscal Condition

Net position over time is an important indicator of a government's financial health. In the most recent fiscal year, Hanover Township's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,892,571. The Township uses a statement of net position to demonstrate its financial condition based on the year's activities. The table below provides information about the Township's assets and liabilities, illustrating its net position in dollars.

	FY 2023	FY 2022
<b>Assets</b>		
Current Assets	\$ 13,730,589	\$ 12,124,946
Capital Assets	\$ 10,281,145	\$ 9,097,063
Other Assets	-	\$ 520,870
Total Assets	\$ 24,011,734	\$ 21,742,879
<b>Deferred Outflows of resources</b>		
Deferred Outflows of resources	\$ 1,079,745	\$ 375,252
Total Assets/Deferred outflows of resources	\$ 25,091,479	\$ 22,118,131
<b>Liabilities</b>		
Long-Term Liabilities	\$ 4,863,296	\$ 297,436
Other Liabilities	\$ 918,767	\$ 532,113
Total liabilities	\$ 5,782,063	\$ 829,549
<b>Deferred Inflows of Resources</b>		
Deferred Inflows	\$ 4,416,845	\$ 5,355,948
Inflows	\$ 10,198,908	\$ 6,185,497
<b>Net Position</b>		
Net investment in capital Assets	\$ 8,242,243	\$ 9,097,063
Restricted	\$ 4,395,494	\$ 4,695,871
Unrestricted	\$ 2,254,834	\$ 2,139,700
Total net position	\$ 14,892,571	\$ 15,932,634

The Township has invested \$8.2 million in capital assets, including land, buildings, infrastructure, and equipment. These assets are used to provide services to citizens and are not available for future spending. The resources needed to repay the related debt must be provided from other sources. It should be noted that the capital assets cannot be used to liquidate these liabilities. Additionally, \$4.4 million of the Township's net position is subject to restrictions on how it can be used. The remaining \$2.3 million of unrestricted net assets can be used to meet the Township's ongoing obligations to citizens and creditors.

## Top Ten Employers

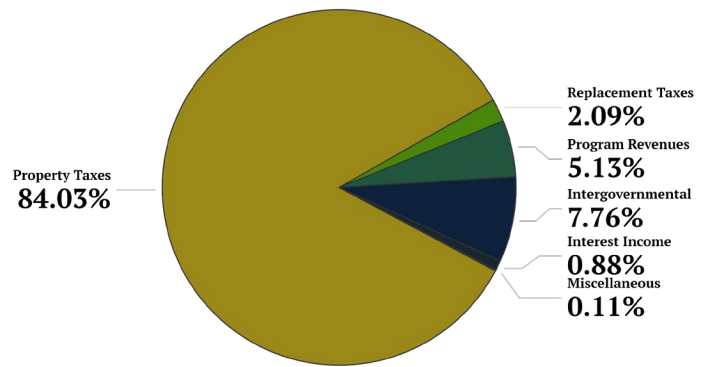
Top 10 Employers in Hanover Township (Source: Audit Reports from the municipalities in the Township)	Product/Service	No. of Employees
Fresh Express	Food Processing	700
Streamwood Behavioral Health Center	Medical	400
Vistex	Software & Services	330
Super Target Stores	Retailer	310
Wal-Mart Stores, Inc.	Retailer	275
Bob Loquercio Autogroup	Car Sales	265
Senior Flexonics	Metal Fabrication	237
Streamwood High School(U-46)	Education	220
Village of Streamwood	Municipal Government	196
Village of Bartlett	Municipal Government	162
<b>Total</b>		<b>3,095</b>

## Summary of Revenues and Expenditures

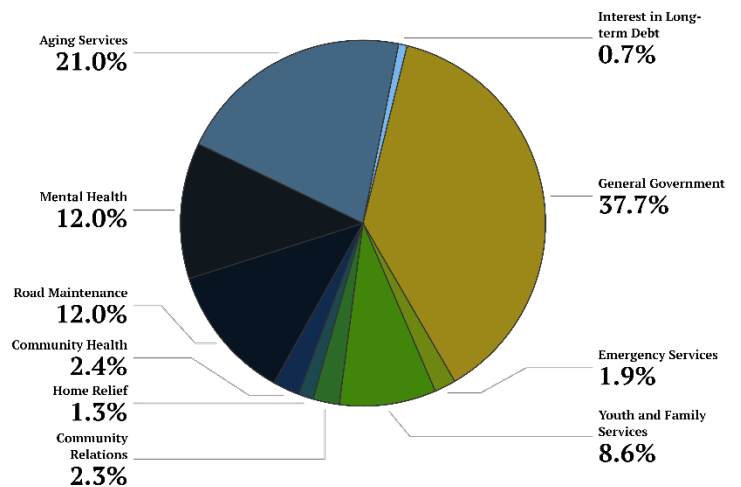
- Property taxes comprised the primary revenue source for the Township as **84.03%** of all revenues came from this tax. Intergovernmental comprised another **7.76%**. Program Revenues accounted for **5.13%**. The total revenue recorded was **\$10,120,563**.
- The largest expenditure was recorded for the General Government with the dollar amount of **\$4,069,871** and the total expenditure for the fiscal year was **\$12,362,182**. This is different than in previous years as the Township is in the process of expanding its main campus and constructing an Emergency Services Station.



Total Revenue by Type



Total Expenditure by Type



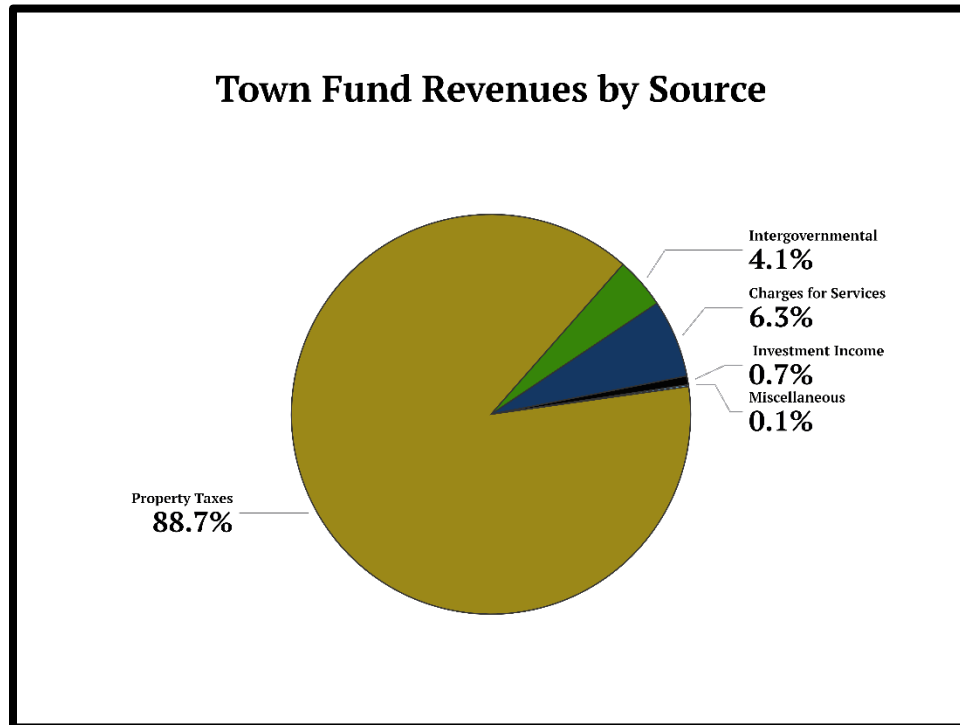


## General Town Fund Revenues

The General Town Fund accounts for the resources traditionally associated with the Township’s operations that are not required to be accounted for in another fund. The following departments fall under this fund: Administrative Services, Assessor’s Office, Community Affairs, Emergency Services, Facilities and Road Maintenance, Community Health, and Youth and Family Services.

- Overall revenue increased by 4.69%. This increase was due primarily to the increase in property tax revenue and the rebounding of several fees that were restricted during the COVID-19 pandemic.
- Therapy Charges and Passport Fees (combined in Charges for Services) increased by 28.91% and 7.05% in revenue generation as services are more greatly being utilized as COVID-19 restrictions are lifted.
- The largest portion of the General Town fund revenue was from Property Taxes which accounted for \$4,235,894 and the total Town fund revenue was \$4,774,318.

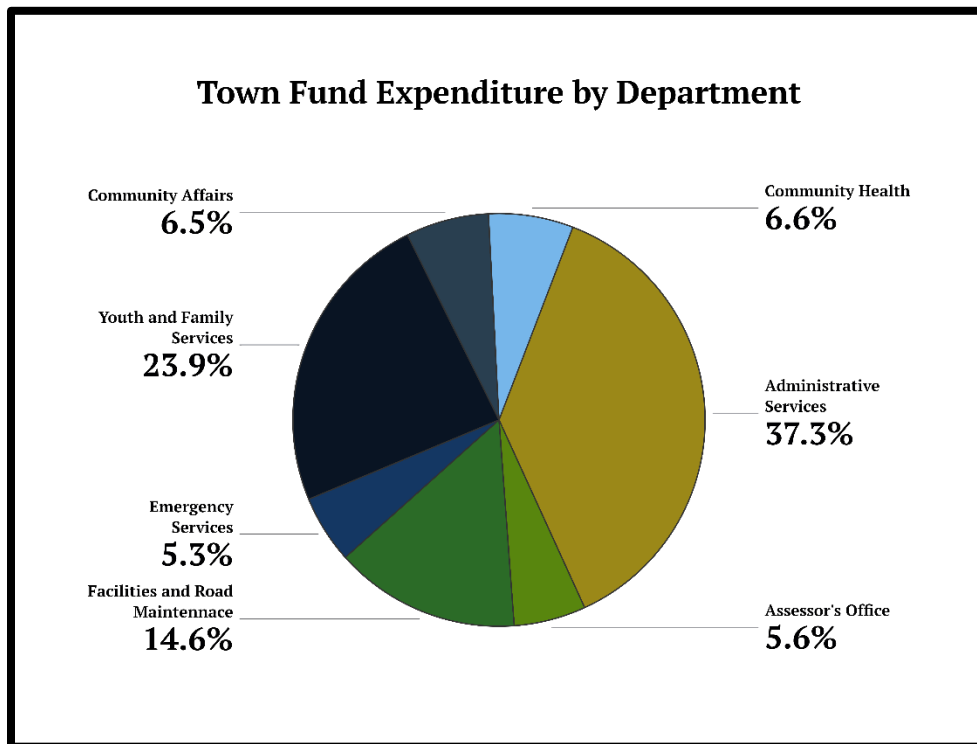
<b>Property Taxes</b>	\$ 4,235,894
<b>Intergovernmental</b>	\$ 197,018
<b>Charges for Services</b>	\$ 300,918
<b>Investment Income</b>	\$ 33,688
<b>Miscellaneous</b>	\$ 6,800
<b>Total Town Fund Revenue</b>	<b>\$ 4,774,318</b>



## General Town Fund Expenditures

- The fund balance in the General Town Fund at year-end was \$2,947,885, while the previous fiscal year reported a fund balance of \$2,708,438. This is an increase of \$239,447, or 8.80%. The increase is due to higher than anticipated Replacement Tax, Interest, and Charges for Services.
- The General Town Fund increased expenditure by 40.63% to accommodate transfers to Capital Project Funds, loan proceedings, and a significant increase in education and training expenses.
- The Administrative Services Department accounted for 37.30% of the total town fund, while the Youth and Family Services Department accounted for 23.95%

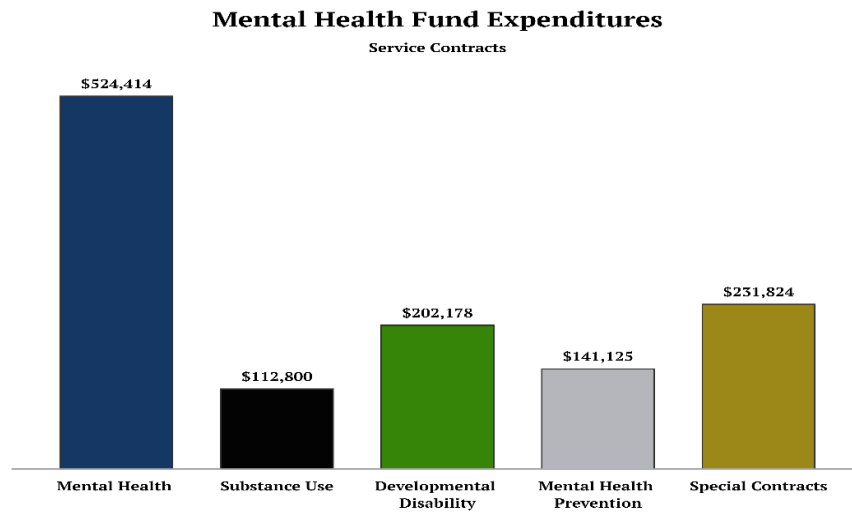
<b>Administrative Services</b>	\$1,519,855
<b>Assessor's Office</b>	\$229,801
<b>Facilities and Road Maintenance</b>	\$592,834
<b>Emergency Services</b>	\$216,952
<b>Youth and Family Services</b>	\$974,629
<b>Community Affairs</b>	\$265,297
<b>Community Health</b>	\$270,503
<b>Total Expenditures</b>	<b>\$4,069,871</b>



## Other Major Fund revenues and expenditures

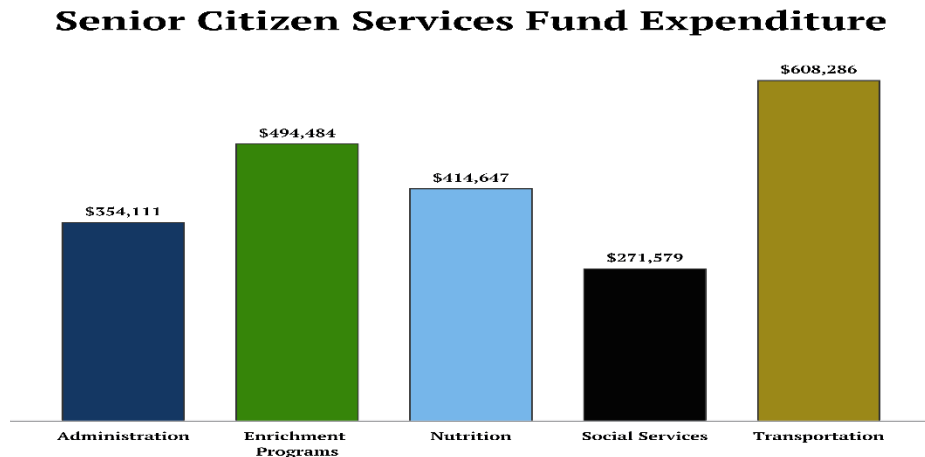
### Mental Health Fund:

The fund balance in the Mental Health Fund at year-end was \$1,342,006, while the previous fiscal year reported a fund balance of \$1,265,282. This is an increase of \$76,724, or 6.1%. The increase is due to increases in Property and Replacement Taxes, Interest, and Fees. The increase was also due to fewer administrative costs which were \$122,248 in total and Service Contract costs of \$1,212,341. A total of \$31,327 was spent on the Community Resource Center from this fund. The total revenue recorded for the Mental Health fund was \$1,442,640 and the total expenditure recorded was \$1,365,916. The Mental Health Board strives to put as much of the levied funds back into the community via service contracts with local social service agencies as possible. Below is the breakdown of Service Contracts into five areas of mental health.



### Senior Citizen Services Fund:

The fund balance in the Senior Citizens Services Fund at year-end was \$1,097,772, while the previous fiscal year reported a fund balance of \$1,182,232. This is a decrease of \$84,460, or 7.10%. The decrease is due to the increased number of home-delivered meals and accompanying program expenditures due to inflation i.e., the Budgeted amount for home-delivered meals was \$169,000 but the actual expenditure recorded was \$230,632. Total revenue and expenditure recorded for FY23 was \$1,903,647 and \$2,143,107 respectively.



## Property Tax Assessments

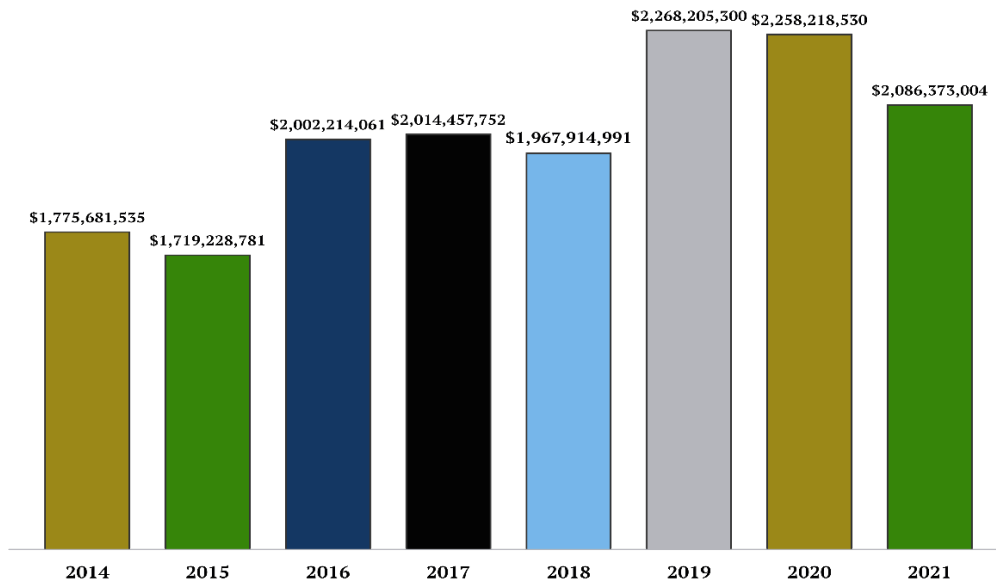
The Township's property tax rate is significantly influenced by its Equalized Assessed Valuation (EAV). A reduction in EAV would result in an increase in the property tax rate. The chart and graph below present the assessment values since Fiscal Year 2014. Cook County has not released the 2022 tax extensions at the issuance of the audit for Hanover Township. The Township levies taxes for four of its agencies. The agencies are the Township of Hanover, General Assistance (Human Services), Road Maintenance, and Mental Health.

Year	EAV	Town Tax Rate	General Asst. Tax Rate	Road Maintenance Tax Rate	Mental Health Tax Rate
2014	\$1,775,681,535	0.277	0.021	0.095	0.061
2015	\$1,719,228,781	0.295	0.023	0.099	0.058
2016	\$2,002,214,061	0.255	0.020	0.086	0.057
2017	\$2,014,457,752	0.260	0.020	0.086	0.059
2018	\$1,967,914,991	0.275	0.021	0.087	0.062
2019	\$2,268,205,300	0.247	0.018	0.075	0.056
2020	\$2,258,218,530	0.255	0.020	0.076	0.059
2021	\$2,086,373,004	0.287	0.022	0.083	0.067

- Assessed Value -determined by multiplying the assessment level for a class of property by its fair market value.
- Equalized Assessed Valuation (EAV) -determined by multiplying assessed valuation by the state’s equalization factor.

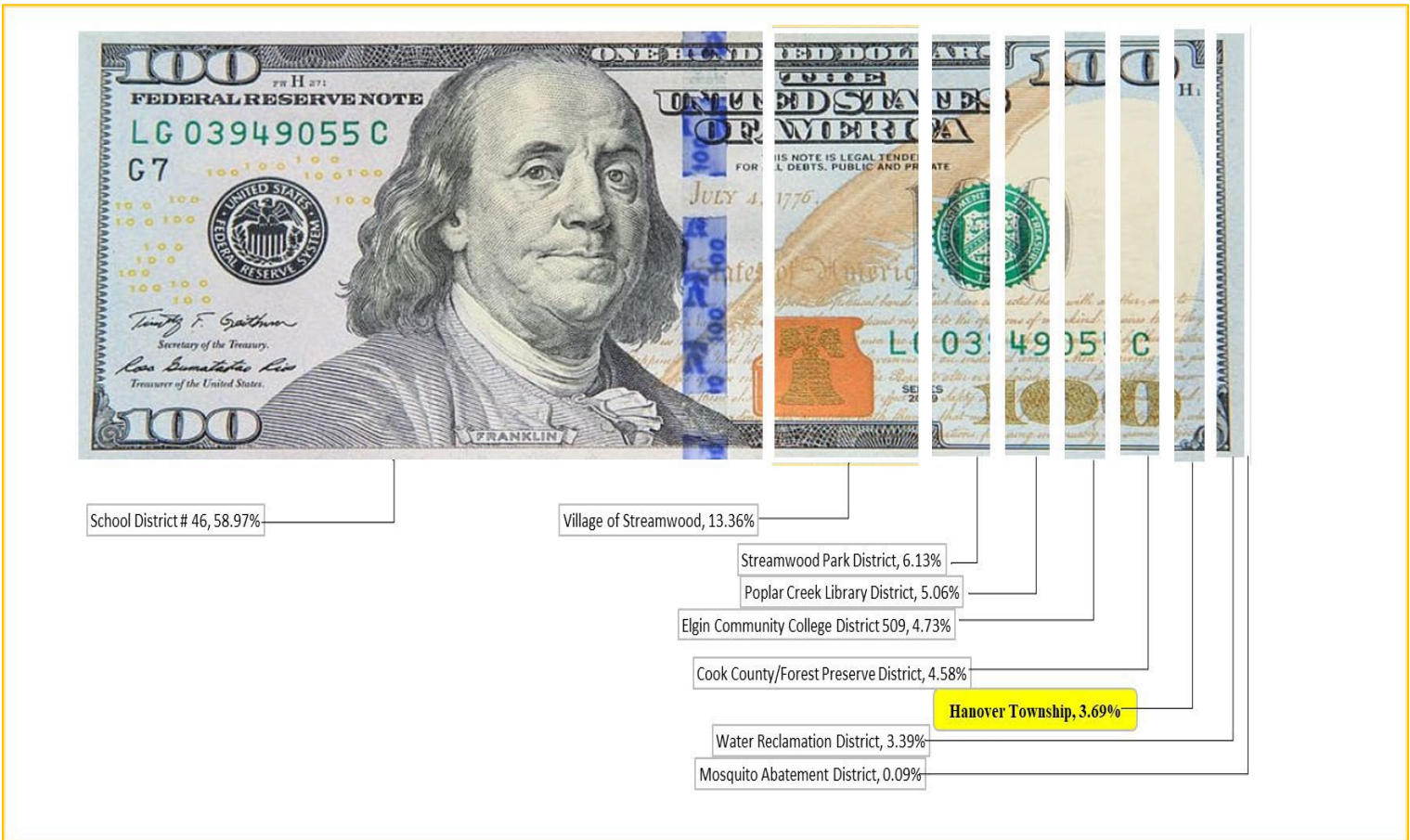
### Equalized Assessed Value

Hanover Township (2014-2021)





## Understanding the Property Tax Bill



The chart above represents the amount of property tax a sample resident of Hanover Township in the Village of Streamwood paid to various overlapping governments. U-46 School District collected the largest portion at 58.97% of the total rate, whereas Hanover Township collected 3.69% of the total.

Example	
Market Value of a Home	\$231,410.00
Assessed Value	\$23,141.00
Current Percentage	3.69%
Total tax liability	\$8,598.77
Tax Liability for Hanover Township	\$317.29

## Capital Improvement Plan (CIP)

Although the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus was on FY2023, which is referred to as the Capital Budget. These projects were part of the operating budget that was approved by the Town Board. For Fiscal Year 2023, the Town Board allocated up to \$5,980,000 to be expended on capital improvements. The fund balance in the Capital Projects Fund at year-end was \$988,930, while the previous fiscal year reported a deficit fund balance of \$94,640. This is an increase of \$1,083,570. The increase is due to Grant Income and Loan Proceeds for the Emergency Services Station construction in progress. The debt issuance recorded was \$3,000,000 and the Disposal of Capital Assets recorded was \$255,615.

**Emergency Service Station:** Operating out of the leased space in Bartlett, Emergency Services is in need of a more permanent facility in order to better shelter Hanover Township’s fleet of vehicles. The Department of Emergency Services is in need of a space for its increasing fleet and equipment and a location better suited to conduct training. A site adjacent to the main Hanover Township campus has been purchased. Planning and construction for the property and Emergency Services Station began in May 2021. The project entails constructing a garage and training space that includes bathroom facilities and additional storage for the department. This project is set to be completed in FY2024. The total expenditure from CIP accounted for the new emergency service station was \$2,033,817.



**Izaak Walton Reserve Master Plan:** Hanover Township acquired the Izaak Walton property in FY 2013, and it consists of 11 acres of wooded land that includes a lodge built in the 1940s. To maximize the utilization of the 11-acre property, Hanover Township developed a Reserve Master Plan which added several new features to the property. The Izaak Walton Reserve Master Plan was completed in FY2023. Additionally, in FY23 the property’s lodge was converted to a Youth Center, with the lower-level operating as a Teen Center. The total accounted expenditure for FY2023 was \$55,552.



**Security Camera System:** To increase security throughout the Township facilities, an upgrade to a commercial Township-wide integrated system that utilizes centralized monitoring control was required. This enhanced the uniformity of security footage throughout the Township. The total cost accounted for this project was \$116,628.



The other major expenses included in the Capital budget were \$123,424 for Building & Permanent improvements and \$176,804 for Loan repayments. The total transfer Into CIP was \$395,000. The total revenue recorded for FY2023 for CIP was \$110,000 and the total expenditure recorded was \$2,677,045.



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[www.hanover-township.org](http://www.hanover-township.org)



## Long-term Debt Obligation

### Legal Limits on Township Debt

The Local Government Debt Limitation Act (50 ILCS 405/1) sets the legal debt limitation for Hanover Township. Per this act, total debt may not exceed 2.875% of the value of the taxable property within the Township, including existing debt. The 2022 total taxable assessed property value is \$2,619,442,466; therefore, Hanover Township’s legal limit of debt is \$75,308,970.

Additionally, per 60 ILCS/1 Sec. 240-5, Township Code, a Township Board “may borrow money (i) from any bank or financial institution if the money is to be repaid within 10 years from the time it is borrowed or (ii) with the approval of the Highway Commissioner, from a Township Road District fund, if the money is to be repaid within one year from the time it is borrowed.”

### Ratios of Outstanding Debt by Type (FY 2010-2023)

Fiscal Year	General Obligation Bonds	Loan Payable	Total Township	Debt per Capita
2010	\$ -	\$ -	\$ -	\$ -
2011	\$ -	\$ -	\$ -	\$ -
2012	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -	\$ -
2022	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 29.97
2023	\$ -	\$ 2,870,321	\$ 2,870,321	\$ 29.33
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,870,321</b>	<b>\$ 2,870,321</b>	<b>\$ 29.33</b>



## Glossary

**ASSESSED VALUE:** A value set upon real property for use as a basis for levying taxes.

**DEBT SERVICE:** Expenditures to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

**DEFERRED INFLOW OF RESOURCES:** An acquisition of net assets by the government that is applicable to a future reporting period. For example, deferred revenue and advance collections.

**DEFERRED OUTFLOW OF RESOURCES:** A consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items and deferred charges.

**DEPRECIATION:** A calculation of the estimated decrease in value of physical assets due to usage and passage of time.

**EQUALIZED ASSESSED VALUATION:** The assessed valuation of real property raised or lowered by an equalizing factor as applied by a countywide and a state-wide authority, so that all property is assessed at a consistent level for purposes of levying taxes. In Illinois, equalized valuation of real property is one-third of fair market value.

**EXPENDITURE:** The actual outlay of or obligation to pay cash. This does not include encumbrances.

**EXPENSES:** Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

**GENERAL OBLIGATION BONDS:** Bonds in which the full faith and credit of the issuing government are pledged.

**INTERGOVERNMENTAL REVENUE:** Revenue received from or through the federal, State, or County Government.

**OPERATING EXPENSES:** Fund expenses that are ordinary, recurring in nature, and directly related to the fund's primary service activities.

**OPERATING REVENUES:** Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

**Capital Outlays:** "Capital expenditures," or capital outlay, means expenditures for the acquisition cost of capital assets, such as equipment, or expenditures to make improvements to capital assets that materially increase their value or useful life.

**Budget:** A plan of financial operation embodying an estimate of proposed revenue and expenditures for a specific period of time (budget fiscal year).

**Capital Improvements Program (CIP):** A plan for capital outlay to be incurred each year over a fixed number of years to meet the long-term capital needs of the Township.

**Deficit:** (1) The excess liabilities of a fund over its assets. (2) The excess of expenditure over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during the accounting period.

**Fiscal Year:** The time period designated by the Township signifying the beginning and ending period for recording financial transactions. Hanover Township has specified April 1st to March 31st as its fiscal year.

**Liquidation:** A liquidation is the process by which a reporting entity converts its assets to cash or other assets and settles its obligations with creditors in anticipation of ceasing all activities

**Governmental Funds:** Money, assets, or property of Hanover Township or any of its subcomponents.

**IMRF:** Illinois Municipal Retirement Fund provides employees of local governments and school districts in Illinois with a system for retirement, disability, and death benefits.

**Property Tax:** Property taxes are levied on real property according to the property's valuation and the tax rate.





**250 S. IL ROUTE 59  
BARTLETT, IL 60103**

**(630) 837-0301**