

Hanover Township
(Located within the State of Illinois)

Comprehensive Annual Financial Report

For the Year Ended March 31, 2016

**Hanover Township
Comprehensive Annual Financial Report
For the Year Ended March 31, 2016**

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Introductory Section

**Hanover Township
Principal Officials
For the Year Ended March 31, 2016**

Elected Officials

Brian P. McGuire
Supervisor

Katy Dolan Baumer
Clerk

Thomas S. Smogolski
Assessor

P. Craig Ochoa
Highway Commissioner

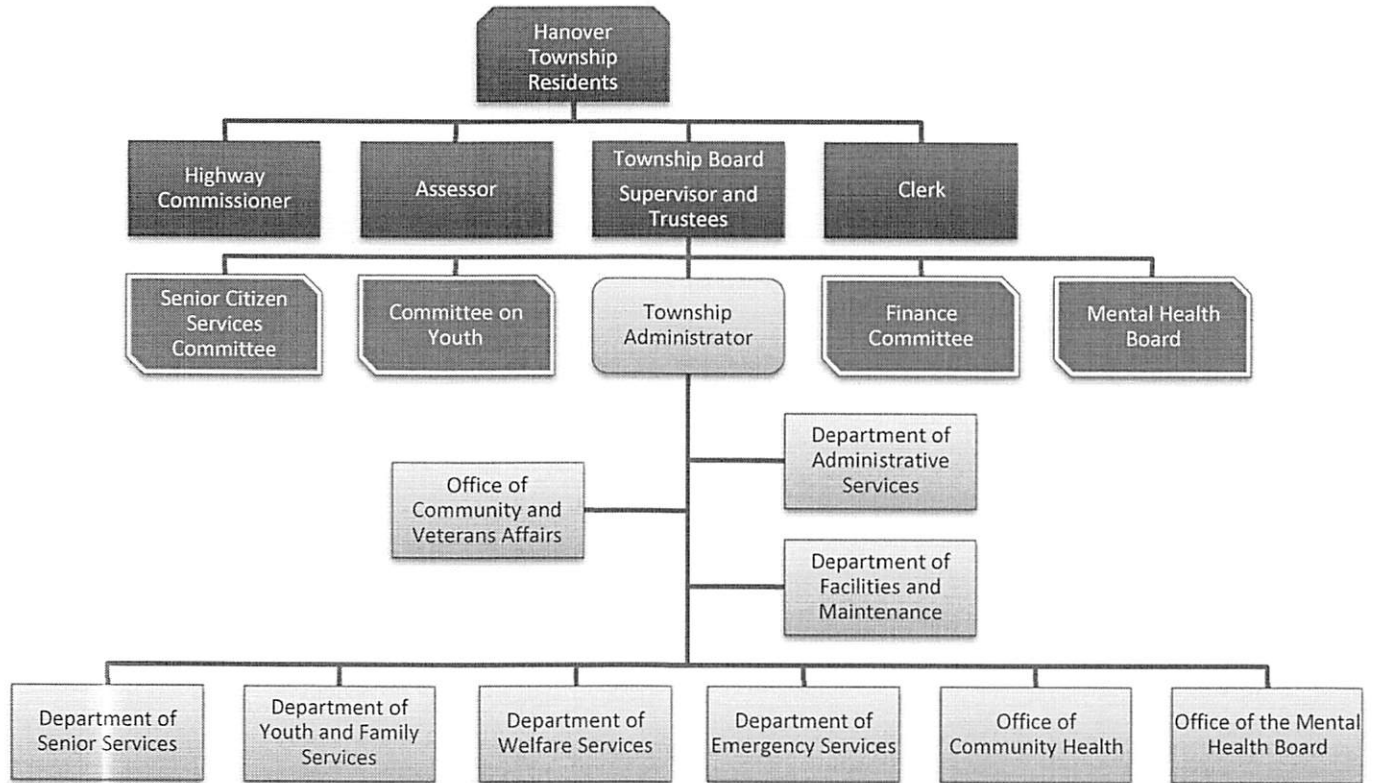
Mary Alice Benoit
Steve Caramelli
Craig Essick
Howard Krick
Trustees

Administrative Staff

James C. Barr
Township Administrator

Suzanne Powers
Assistant Township Administrator

**Hanover Township
Organizational Chart
For the Year Ended March 31, 2016**





July 8, 2016

Board of Trustees
Hanover Township
250 S. Route 59
Bartlett, Illinois 60103

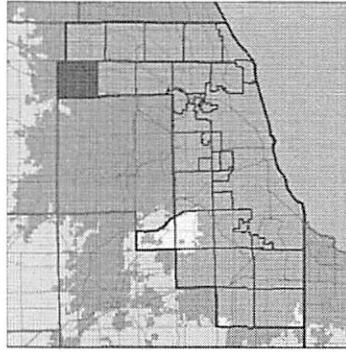
Honorable Trustees:

The Comprehensive Annual Financial Report (CAFR) of Hanover Township for the fiscal year ending March 31, 2016 is submitted herewith. The report was prepared by the Township's Supervisor, Administrator and accountant. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Hanover Township. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of Hanover Township as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial affairs have been included.

The audit is presented in three sections; introductory, financial and statistical. The introductory section includes this transmittal letter and the Township's organizational chart. The financial section includes the Independent Auditor's Report, the Management Discussion & Analysis (MD&A), basic financial statements and schedules for the major and non-major funds. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This letter of transmittal is designed to complement the MD&A which begins on page 1.

This report includes all funds of the Township. Hanover Township contains portions of six communities 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 Senior Services, Department of Youth and Family Services, Department of Welfare Services, Highway Department, Department of Facilities and Maintenance, Mental Health Board, Assessor's Office, and the Office of Community and Veterans Affairs.



ECONOMIC CONDITION AND OUTLOOK

Hanover Township is a municipal corporation of the State of Illinois. The Township covers approximately 36 square miles and includes portions of Streamwood, Elgin, Bartlett, Hanover Park, Hoffman Estates and Schaumburg. It is located in Cook County and is approximately 30 miles northwest of downtown Chicago. The Township maintains a total of six locations in four different municipalities. The Bartlett locations are as follows: Town Hall at 250 S. Route 59, Senior Center at 240 S. Route 59, and Emergency Services Station #1 at 218 Main Street. The Hanover Park location is the Astor Avenue Community Center at 7431 Astor Avenue. The Streamwood location is the Mental Health Community Resource Center at 1535 Burgundy Parkway and the Elgin location is Izaak Walton Center at 899 Jay Street.

The 2014 Census population of 101,093 for the Township represents a 1.6% increase from the 2010 population of 99,538. The 2014 median home value in the Township is \$213,600 and median household income is \$70,890. The potential for future population growth is slow even with a slightly improving housing market as the Township has minimal buildable land available for future development. Throughout last three tax years ('13 through '15), the Township's equalized assessed valuation has decreased by 3.2%.

The Township levies taxes for four agencies. The agencies are the Town of Hanover, General Assistance, Road and Bridge and Mental Health. Within the Town of Hanover are the following funds: Corporate, IMRF, Social Security, and Senior Citizens. The annual assessed valuation (EAV) is shown below.

Tax Year	EAV	Town Tax Rate	General Asst. Tax Rate	Road & Bridge Tax Rate	Mental Health Tax Rate
2011	2,265,103,457	0.202	0.015	0.073	0.044
2012	2,065,428,552	0.229	0.017	0.078	0.050
2013	1,750,808,883	0.276	0.021	0.094	0.061
2014	1,775,681,535	0.276	0.021	0.094	0.061
2015	1,719,228,781	0.295	0.023	0.099	0.058

According to the US Census Bureau, in 2014 the total housing units for the Township amounted to 34,953 with an average household containing three individuals and 40% had children under the age of 18 living with them. Additionally, this contributes to the Township's strong demand for community-based adult and youth services located throughout the area.

MAJOR INITIATIVES/HAPPENINGS FOR THE YEAR

The 2016 Budget for Operations remained fairly static for the year. The Township's total major funds were 11.4% under budget. Additionally, the Township was able to transfer monies into the senior, vehicle and capital projects funds in the amount of \$325,000, \$65,000 and \$250,000 respectively. These monies in addition to prior years' reserves funded the following major projects from fiscal year 2016: 1) Isaac Walton Center Improvements, 2) Senior Center Improvements, and 3) Lenoci Reserve Improvements. In total these projects accounted for \$257,060 of the Capital Projects budget.

FUTURE INITIATIVES/FUTURE DIRECTION

Although the Capital Improvement Program anticipates expenditures over a five year period, the Town Board has allocated up to \$1,560,000 to be expended on Fiscal Year 2017 capital improvements. The \$1,560,000 will be derived from local property tax revenues and reserves. These funds are to be budgeted on the following primary projects; parking lot reconstruction and expansion for the Senior Center and Town Hall, internal remodeling of Youth and Family Services, further developments to the Lenoci Reserve, Izaak Walton Center and Reserve enhancements, and Senior Center improvements.

FINANCIAL INFORMATION

Accounting System and Budgetary Control - The Township's records for general governmental operations are maintained on an accrual basis, with the revenues being recorded when earned and expenditures being recorded when the liability is incurred or the economic asset is used.

In developing and maintaining the Township's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to Township departmental and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures (items over \$5,000 and having a useful life of more than 1 year) are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Additionally, all expenditures are reviewed by the Supervisor and the Board prior to the release of payments.

The Reporting Entity and its Services - This report includes all of the funds and activities controlled by the Township.

The Township participates in the Illinois Municipal Retirement Fund and Illinois Counties Risk Management Trust. Those organizations are separate governmental units because (1) they are organized entities, (2) have governmental character, and (3) are substantially autonomous. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

General Government Functions - The reporting period covered by these financial statements encompasses twelve months. Funds are provided for services by taxes, user fees, interest income, grants, donations and miscellaneous sources.

Property taxes are a major source of income for general operations. The Township's property taxes make up 91% of the total revenue for the major governmental funds.

Assessed valuation of \$1,719,288,781 represents a 3.2% decrease from prior fiscal year as a result the tax rates for 2015 increased.

Allocation of the property tax levy for 2015 and the preceding tax year are as follows (amounts for each \$100 of assessed value).

<u>Purpose</u>	<u>2015</u>	<u>2014</u>
Town of Hanover	.295	.277
General Assistance Fund	.023	.021
Road and Bridge Fund	.099	.095
Mental Health Fund	.058	.061
Total Tax Rate	<u>.475</u>	<u>.454</u>

The Town of Hanover represents the Corporate, Senior, IMRF, and Social Security Funds. The maximum tax rate for the Corporate Fund is .2500. The maximum tax rate for the Senior Services and Mental Health Fund is .1500.

Fixed Assets Additions - As of March 31, 2016 the general fixed assets of the Hanover Township amounted to \$8,014,537. The major category of decrease results from yearly depreciation of \$605,933.

Independent Audit - Chapter 50, Section 310/2 of the Illinois Revised Statues requires that Townships secure a licensed public accountant to perform an annual audit of accounts. The firm of Tighe, Kress & Orr, P.C. has performed the audit for the year ended March 31, 2016. Their unqualified opinion on the general purpose financial statements is presented in this report.

OTHER INFORMATION

Awards & Acknowledgments - The government received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated March 31, 2016 in addition to the GFOA's Award for Reporting Excellence for its CAFR dated March 31, 2015. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. The Illinois Policy

Institute has also recognized the Township as one of the few local governments to provide 100% transparency online.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff. Appreciation is expressed to the Township's employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

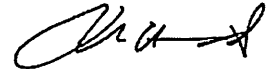

We would like to thank the Hanover Township board and elected officials for their interest and support in planning and conducting the financial operation of the Township in a responsible and progressive manner.

Respectfully submitted,

Brian P. McGuire
Supervisor

James C. Barr
Administrator

James R. Howard
Finance



Financial Section

To the Board of Trustees of
Hanover Township
Bartlett, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hanover Township, Bartlett, Illinois as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Township'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 from 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 entity'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 entity'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, each major fund, and the aggregate remaining fund information of Hanover Township, Bartlett, Illinois as of March 31, 2016, and the respective changes in financial position for the year then ended in accordance 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 budgetary comparison information on pages 3-8 and 30-37 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hanover Township, Bartlett, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor combining financial statements and budgetary comparisons on pages 38-54 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. Such 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 combining, individual nonmajor fund financial statements, and budgetary comparisons are 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.

T. J. Hest, P.C.

Elgin, Illinois

July 8, 2016

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

As the Hanover Township (Township) management we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2016. The management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

Financial Highlights

The assets of Hanover Township exceeded its liabilities by \$14,072,966 and \$15,469,598 as of March 31, 2016 and 2015, respectively. The Township's net position decreased \$1,396,632 in fiscal year 2016 as the Township continued to work on capital projects and purchased more equipment as well as the implementation of GASB 68. The Township recorded a prior period adjustment of \$592,416 due to the additional amortization of the full pension liability.

Significant budgetary variances included program revenues and program fees in the Senior Services Fund were both significantly greater than budgeted due to more programs and higher attendance than in previous fiscal years. Finally, legal service fees were significantly greater than budgeted due to unforeseen legal expenses associated with a variety of issues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Hanover Township's basic financial statements. The Township's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-Wide Financial Analysis

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of Hanover Township's finances, in a manner similar to private-sector businesses.

The statement of net position presents financial information on all of Hanover Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Hanover Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of Hanover Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

governmental activities of Hanover Township include general government, services for youth, seniors, community health, general assistance, mental health, and road and bridge projects.

Fund Financial Statements

All of the funds of Hanover Township are governmental funds. The fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's nine funds.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to Financial Statements

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning Hanover Township's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance – budget vs. actual for each major fund is presented in this section.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Hanover Township, assets exceeded liabilities by \$14,072,966 for the year ended March 31, 2016, which was a decrease of \$1,396,632 from prior year. The decrease indicates the financial position of the Township shrank 9% during fiscal year 2016 due to planned capital expenditures and the implementation of GASB 68.

A portion of the Township's net position reflects its investment in capital assets of \$8,014,537. The Township uses these capital assets to provide services and consequently these assets are not available to liquidate liabilities or for other spending.

The unrestricted net position balance of \$2,583,962 at March 31, 2016 is available to fund future Township obligations.

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

Condensed Statement of Net Position

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Current and Other Assets	\$ 10,936,320	\$ 11,677,346
Capital Assets, Net of Accumulated Depreciation	<u>8,014,537</u>	<u>8,109,980</u>
Total Assets	<u><u>18,950,857</u></u>	<u><u>19,787,326</u></u>
 Deferred Outflows of Resources	 635,203	 -
Total Assets and Deferred Outflow of Resources	<u><u>19,586,060</u></u>	<u><u>19,787,326.00</u></u>
 Current Liabilities	 4,089,120	 4,182,750
Non-Current Liabilities	<u>1,353,556</u>	<u>134,978</u>
Total Liabilities	<u><u>5,442,676</u></u>	<u><u>4,317,728</u></u>
 Deferred Inflows of Resources	 70,418	 -
Total Liabilities and Deferred Inflow of Resources	<u><u>5,513,094</u></u>	<u><u>4,317,728</u></u>
 Net Position		
Investment in Capital Assets	8,014,537	8,109,980
Restricted	3,474,467	3,939,448
Unrestricted	<u>2,583,962</u>	<u>3,420,170</u>
Total Net Position	<u><u>\$ 14,072,966</u></u>	<u><u>\$ 15,469,598</u></u>

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

Condensed Statement of Activities

	For the Year Ended,	
	March 31, 2016	March 31, 2015
Revenues		
Program Revenues		
Charges for services	\$ 322,323	\$ 306,108
Operating grants and contributions	213,128	203,306
Capital grants and contributions	31,099	59,088
General Revenues		
Property taxes	7,170,336	7,108,640
State replacement taxes	66,824	66,144
Interest income	14,841	16,616
Other	109,545	104,116
Total Revenues	7,928,096	7,864,018
Expenses		
Program Expenses		
Town	3,037,861	3,215,384
Youth Services	1,040,049	981,019
Community & Veteran Relations	234,461	227,708
Senior Services	2,208,082	1,789,715
Road & Bridge	966,389	1,000,223
Mental Health	1,232,181	978,779
Employment Services	-	42,020
Home Relief	193,289	206,667
Total Expenses	8,732,312	8,441,515
Change in Net Position	(804,216)	(577,497)
Net Position		
Beginning of Year	15,469,598	16,047,095
Prior Period Adjustment - Implementation of GASB 68	(592,416)	-
Net Position - Beginning, restated	14,877,182	16,047,095
End of Year	\$ 14,072,966	\$ 15,469,598

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

The following is a summary of changes in fund balances for the year ended March 31, 2016:

<u>Governmental Funds</u>	<u>Fund Balance March 31, 2015</u>	<u>Increase (Decrease)</u>	<u>Fund Balance March 31, 2016</u>
Town	\$ 2,816,412	\$ 60,214	\$ 2,876,626
Senior Services	1,178,932	(14,224)	1,164,708
Road and Bridge	1,227,111	(348,999)	878,112
Mental Health	990,370	(120,159)	870,211
Capital Projects	392,790	(60)	392,730
General Assistance	343,308	15,178	358,486
Illinois Municipal Retirement	121,013	2,585	123,598
Social Security	78,714	(638)	79,352
Vehicle Replacement	528,772	(201,772)	327,000
	<u>\$ 7,677,422</u>	<u>\$ (606,599)</u>	<u>\$ 7,070,823</u>

During the year \$325,000 was transferred to the Senior Services Fund, \$65,000 was transferred to the Vehicle Replacement Fund, and \$250,000 was transferred to the Capital Projects Fund. For more information please refer to Note 11 of the financial statements on page 24.

Budgetary Highlights

There were no revisions to the original budget.

Expenditures in the General Town Fund of \$3,560,823 were under revenues by \$225,214 and were \$52,326 less than the appropriation of \$3,613,149.

Capital Assets

The following is a summary of capital assets, net of accumulated depreciation:

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Land	\$ 936,041	\$ 936,041
Buildings	5,722,786	5,722,786
Building improvements	1,922,219	1,789,975
Office furniture & equipment	1,098,789	1,055,636
Trucks & equipment	1,161,644	987,574
Buses	758,120	666,669
Infrastructure	1,942,823	1,942,823
Cost of Capital Assets	<u>13,542,422</u>	<u>13,101,504</u>
Less Accumulated Depreciation	<u>(5,527,885)</u>	<u>(4,991,524)</u>
Net Capital Assets	<u>\$ 8,014,537</u>	<u>\$ 8,109,980</u>

For more information please refer to Note 4 of the financial statements on pages 21-22.

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2016**

Description of Current of Expected Conditions

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future.

Implementation of GASB 68

During the current fiscal year ended March 31, 2016, the Township implemented GASB 68. GASB 68 encompasses a new valuation method for the IMRF and changes reporting requirements throughout the government-wide financial statements. The government-wide financial statements that are affected include the Statement of Net Position (Pg 9), the Statement of Activities (Pg 10), the Reconciliation of Total Government Fund balance to Net Position of Governmental Activities (Pg 12), and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities (Pg 14).

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Administrator, Hanover Township, 250 S. Route 59, Bartlett, Illinois 60103-1684.

(See independent auditor's report.)

Basic Financial Statements

Hanover Township
Statement of Net Position
March 31, 2016

		<u>Governmental Activities</u>
Assets and Deferred Outflow of Resources		
Current Assets:		
Cash and investments	\$	7,139,794
Receivables (net, where applicable of allowances for uncollectibles)		
Taxes		3,751,027
Other		705
Prepaid expenses		44,794
Total current assets:		<u>10,936,320</u>
Non-Current Assets:		
Capital assets, not being depreciated		936,041
Capital assets, being depreciated (net of accumulated depreciation)		7,078,496
Total non-current assets:		<u>8,014,537</u>
Total Assets		<u>18,950,857</u>
Deferred Outflows of Resources		635,203
Total Assets and Deferred Outflow of Resources	\$	<u><u>19,586,060</u></u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities:		
Accounts payable	\$	93,930
Accrued payroll		63,188
Unearned revenue		3,708,379
Compensated absences - due within one year		223,623
Total current liabilities:		<u>4,089,120</u>
Noncurrent liabilities		
Compensated absences - due in more than one year		154,383
Net Pension Liability		1,199,173
Total non-current liabilities:		<u>1,353,556</u>
Total Liabilities		<u>5,442,676</u>
Deferred Inflows of Resources		70,418
Total Liabilities and Deferred Inflow of Resources	\$	<u><u>5,513,094</u></u>
Net Position		
Net position, investment in capital assets	\$	8,014,537
Restricted for		
Senior services		1,164,708
Roads and bridges		878,112
Mental health		870,211
General assistance		358,486
Retirement benefits		202,950
Unrestricted		<u>2,583,962</u>
Total Net Position	\$	<u><u>14,072,966</u></u>

See accompanying notes to financial statements.

Hanover Township
Statement of Activities
For the Year Ended March 31, 2016

Functions/Programs	Expenses	Program Revenues			Net Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Town	\$ 3,037,861	\$ 111,195	\$ 6,041	\$ 7,000	\$ (2,913,625)
Youth services	1,040,049	29,461	80,955	-	(929,633)
Community relations	234,461	-	-	-	(234,461)
Home relief	193,289	-	-	-	(193,289)
Highways and streets	966,389	-	-	-	(966,389)
Mental health	1,232,181	12,000	-	-	(1,220,181)
Employment service	-	-	-	-	-
Senior center	2,028,082	169,667	126,132	24,099	(1,708,184)
Total Primary Government	\$ 8,732,312	\$ 322,323	\$ 213,128	\$ 31,099	(8,165,762)
General Revenues					
Property taxes					7,170,336
Replacement taxes					66,824
Investment income					14,841
Miscellaneous					109,545
Total General Revenues					7,361,546
Change in Net Position					(804,216)
Net Position, April 1					15,469,598
Prior Period Adjustment - Implementation of GASB 68					(592,416)
Net Position - Beginning, restated					14,877,182
Net Position, March 31					\$ 14,072,966

See accompanying notes to financial statements.

Hanover Township
Balance Sheet - Governmental Funds
March 31, 2016

	<u>General (Town)</u>	<u>Senior Services</u>	<u>Road and Bridge</u>	<u>Mental Health</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets							
Cash and investments	\$ 2,899,862	\$ 1,187,877	\$ 874,231	\$ 891,738	\$ 396,815	\$ 889,271	\$ 7,139,794
Receivables (net)							
Taxes	1,839,090	541,322	451,542	560,635	-	358,438	3,751,027
Other	-	-	705	-	-	-	705
Prepaid items	30,615	8,946	5,233	-	-	-	44,794
Total Assets	<u>\$ 4,769,567</u>	<u>\$ 1,738,145</u>	<u>\$ 1,331,711</u>	<u>\$ 1,452,373</u>	<u>\$ 396,815</u>	<u>\$ 1,247,709</u>	<u>\$ 10,936,320</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 30,352	\$ 26,039	\$ 4,563	\$ 27,260	\$ 4,085	\$ 1,631	\$ 93,930
Accrued payroll	44,652	12,284	2,157	746	-	3,349	63,188
Unearned revenue	<u>1,817,937</u>	<u>535,114</u>	<u>446,879</u>	<u>554,156</u>	<u>-</u>	<u>354,293</u>	<u>3,708,379</u>
Total Liabilities	<u>1,892,941</u>	<u>573,437</u>	<u>453,599</u>	<u>582,162</u>	<u>4,085</u>	<u>359,273</u>	<u>3,865,497</u>
Fund Balances							
Nonspendable	30,615	8,946	5,233	-	-	-	44,794
Restricted							
Restricted for senior services	-	1,155,762	-	-	-	-	1,155,762
Restricted for highways and streets	-	-	872,879	-	-	-	872,879
Restricted for mental health	-	-	-	870,211	-	-	870,211
Restricted for general assistance	-	-	-	-	-	358,486	358,486
Restricted for employee retirement	-	-	-	-	-	202,950	202,950
Committed	-	-	-	-	-	-	-
Assigned							
Assigned for capital projects	-	-	-	-	392,730	-	392,730
Assigned for vehicle replacement	-	-	-	-	-	327,000	327,000
Unassigned	<u>2,846,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846,011</u>
Total Fund Balances	<u>2,876,626</u>	<u>1,164,708</u>	<u>878,112</u>	<u>870,211</u>	<u>392,730</u>	<u>888,436</u>	<u>7,070,823</u>
Total Liabilities and Fund Balances	<u>\$ 4,769,567</u>	<u>\$ 1,738,145</u>	<u>\$ 1,331,711</u>	<u>\$ 1,452,373</u>	<u>\$ 396,815</u>	<u>\$ 1,247,709</u>	<u>\$ 10,936,320</u>

See accompanying notes to financial statements.

Hanover Township
Reconciliation of Fund Balances of Governmental
Funds to the Governmental Activities in
the Statement of Net Position
March 31, 2016

Fund Balances of Governmental Funds	\$ 7,070,823
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds	8,014,537
Compensated absences payable are not due and payable in the current period and therefore, are not reported in governmental funds	(378,006)
Net Pension Liability is not included on the governmental fund statement	(1,199,173)
Deferred outflows of resources for pension are not recognized on governmental fund statement	635,203
Deferred inflows of resources for pension are not recognized on governmental fund statement	<u>(70,418)</u>
Net Position of Governmental Activities	<u>\$ 14,072,966</u>

See accompanying notes to financial statements.

Hanover Township
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended March 31, 2016

	General (Town)	Senior Services	Road and Bridge	Mental Health	Capital Projects	Nonmajor	Total
Revenues							
Taxes	\$ 3,533,950	\$ 1,035,921	\$ 898,146	\$ 1,080,609	\$ -	\$ 688,534	\$ 7,237,160
Program revenue	-	169,667	-	-	-	-	169,667
Passport fees	100,695	-	-	-	-	-	100,695
Rental income	10,500	-	-	12,000	-	-	22,500
Youth commission	110,415	-	-	-	-	-	110,415
Intergovernmental	-	150,231	-	-	7,000	6,041	163,272
Investment income	7,647	843	4,972	631	-	748	14,841
Miscellaneous	22,830	45,072	5,426	13,245	-	22,972	109,545
Total Revenues	<u>3,786,037</u>	<u>1,401,734</u>	<u>908,544</u>	<u>1,106,485</u>	<u>7,000</u>	<u>718,295</u>	<u>7,928,095</u>
Expenditures							
Town	2,167,154	-	-	-	-	496,645	2,663,799
Youth services	1,035,023	-	-	-	-	-	1,035,023
Community relations	234,266	-	-	-	-	-	234,266
Home relief	-	-	-	-	-	193,289	193,289
Highways and streets	-	-	798,311	-	-	-	798,311
Mental health	-	-	-	1,226,644	-	-	1,226,644
Senior center	-	1,640,958	-	-	-	-	1,640,958
Employment services	-	-	-	-	-	-	-
Capital outlay	124,380	-	84,232	-	257,060	276,732	742,404
Total Expenditures	<u>3,560,823</u>	<u>1,640,958</u>	<u>882,543</u>	<u>1,226,644</u>	<u>257,060</u>	<u>966,666</u>	<u>8,534,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>225,214</u>	<u>(239,224)</u>	<u>26,001</u>	<u>(120,159)</u>	<u>(250,060)</u>	<u>(248,371)</u>	<u>(606,599)</u>
Other Financing Sources (Uses)							
Transfers in	-	325,000	-	-	250,000	65,000	640,000
Transfers out	(165,000)	(100,000)	(375,000)	-	-	-	(640,000)
Total Other Financing Sources (Uses)	<u>(165,000)</u>	<u>225,000</u>	<u>(375,000)</u>	<u>-</u>	<u>250,000</u>	<u>65,000</u>	<u>-</u>
Net Change in Fund Balances	60,214	(14,224)	(348,999)	(120,159)	(60)	(183,371)	(606,599)
Fund Balances, April 1	<u>2,816,412</u>	<u>1,178,932</u>	<u>1,227,111</u>	<u>990,370</u>	<u>392,790</u>	<u>1,071,807</u>	<u>7,677,422</u>
Fund Balances, March 31	<u>\$ 2,876,626</u>	<u>\$ 1,164,708</u>	<u>\$ 878,112</u>	<u>\$ 870,211</u>	<u>\$ 392,730</u>	<u>\$ 888,436</u>	<u>\$ 7,070,823</u>

See accompanying notes to financial statements.

Hanover Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Governmental Activities
in the Statement of Activities
For the Year Ended March 31, 2016

Net Change in Fund Balances - Total Governmental Funds		\$ (606,599)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities		510,490
Depreciation expense does not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds		(605,933)
The increase in the compensated absences liability is shown as an increase of expense on the statement of activities		(60,202)
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These items consist of:		
Pension expense	(355,628)	
Employer contributions	<u>313,656</u>	(41,972)
Changes in Net Position of Governmental Activities		<u>\$ (804,216)</u>

See accompanying notes to financial statements.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies

Hanover Township (the Township) operates under a Board of Trustees form of government and provides the following services: general assistance, road and bridge, assessment of properties, general administrative services, services for youth, seniors, community health, emergency services and mental health.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

The Township is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Township (the primary government). At March 31, 2016, there were no entities that would be considered a component unit of the Township. Also, the Township is not considered a component unit of any other governmental entity.

Basis of Presentation – Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into the following category: governmental.

Governmental funds are used to account for all or most of the Township's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General (Town) Fund is used to account for all activities of the Township not accounted for in some other fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Township. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

General (Town) Fund – The General (Town) Fund accounts for the resources traditionally associated with the Township’s operations that are not required legally or by sound financial management to be accounted for in another fund.

Senior Services Fund – The Senior Services Fund (special revenue) accounts for revenues restricted for services and programs for seniors. Major sources of revenue include property taxes, grants, and program income.

Road and Bridge Fund – The Road and Bridge Fund accounts for revenues restricted to finance the maintenance and construction of the Township’s roads and bridges. Major sources of revenue include property taxes, replacement taxes, and permits and fees income.

Mental Health Fund – The Mental Health Fund (special revenue) accounts for revenues restricted for services and programs in the areas of mental health, developmental disabilities and alcohol and substance abuse. Major sources of revenue include property taxes, replacement taxes, rental income, and program revenue.

Capital Projects Fund – The Capital Projects Fund accounts for revenues assigned for the acquisition and/or construction of capital assets.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available if they are collected

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Donations are not susceptible to accrual because generally they are not measurable until received in cash.

The Township reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Township before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Township has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Cash and Investments

Cash consists of demand deposits. Investments are stated at fair value, except for nonnegotiable certificates of deposit and investments with a maturity of less than one year at date of purchase which are stated at cost.

Capital Assets

Capital assets, which include property, plant, equipment and certain intangible assets are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	30
Building improvements	5-20
Vehicles	7-20
Infrastructure	7-20
Furniture and equipment	5-10

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay out once retirement or separation has occurred. Vested or accumulated vacation and sick leave of governmental activities are recorded as an expense and liability as the benefits accrue to employees.

Interfund Transactions

Interfund services are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are property applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as gains (losses) on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as expenditures.

Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Township. Committed fund balance is constrained by formal actions of the Township's Board of Trustees, which is considered the Township's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Formal action is required to be taken to establish, modify, or rescind a fund balance commitment. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Supervisor through the budget process

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

and approved fund balance policy of the Township. Any residual fund balance in the General Fund is reported as unassigned.

The Township's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Township considers committed funds to be expended first followed by assigned and then unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements:

Effective March 31, 2016, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 improves accounting and financial reporting by state and local governments for pensions. It also provides information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement amends the requirements in Statement No. 27 *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50 *Pension Disclosures*.

Note 2 – Deposits and Investments

The Township's investment policy authorizes the Township to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The Township's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

**Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016**

Note 2 – Deposits and Investments (continued)

It is the policy of the Township to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township’s deposits may not be returned to it. The Township’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Township, an independent third party, or the Federal Reserve Bank of Chicago. As of March 31, 2016, the Township had \$6,476,905 in pledged securities. The Township’s deposits are collateralized or insured at 278% of fair market value, which is greater than the Township’s investment policy of 110%.

Investments

The following table presents the investments and maturities of the Township’s debt securities as of March 31, 2016:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 2,207,044	\$ 2,207,044	\$ -	\$ -	\$ -
Total	\$ 2,207,044	\$ 2,207,044	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Township limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Township limits its exposure to credit risk by requiring investments primarily in negotiable CDs. The negotiable CDs are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Township will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Township’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the Township has a high percentage of its investments invested in one type of investment. The Township’s investment policy requires diversification of

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 2 – Deposits and Investments (continued)

investments to avoid unreasonable risk. No financial institution shall hold more than 33% of the Township's investment portfolio, exclusive of any securities held in safekeeping.

Note 3 – Receivables – Taxes

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2016 and are payable in two installments, on or about March 1, 2016 and October 1, 2016. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 0.5% of the tax levy to reflect actual collection experience. Property tax receivable balances in the financial statements appear net of this allowance.

The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of March 31, 2016 as the tax has not yet been levied by the Township and will not be levied until December 2016 and, therefore, the levy is not measurable at March 31, 2016.

Note 4 – Capital Assets

Capital asset activity for the year ended March 31, 2016 was as follows:

	Balance, April 1	Increases	Decreases	Balance, March 31
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 936,041	\$ -	\$ -	\$ 936,041
Total capital assets not being depreciated	<u>936,041</u>	<u>-</u>	<u>-</u>	<u>936,041</u>
Capital assets being depreciated				
Buildings	5,722,786	-	-	5,722,786
Building improvements	1,789,975	132,245	-	1,922,220
Office furniture and equipment	1,055,636	77,725	(34,572)	1,098,789
Trucks and equipment	987,574	209,070	(35,000)	1,161,644
Buses	666,669	91,451	-	758,120
Infrastructure	1,942,823	-	-	1,942,823
Total capital assets being depreciated	<u>12,165,463</u>	<u>510,491</u>	<u>(69,572)</u>	<u>12,606,382</u>
Less accumulated depreciation for				
Buildings	1,836,463	191,088	-	2,027,551
Building improvements	687,335	103,093	-	790,428
Office furniture and equipment	700,124	55,054	(34,571)	720,607
Trucks and equipment	587,945	60,617	(35,000)	613,562
Buses	504,827	35,461	-	540,288
Infrastructure	674,830	160,620	-	835,450
Total accumulated depreciation	<u>4,991,524</u>	<u>605,933</u>	<u>(69,571)</u>	<u>5,527,886</u>
Total capital assets being depreciated, net	<u>7,173,939</u>	<u>(95,442)</u>	<u>-</u>	<u>7,078,496</u>
Governmental Activities				
Capital Assets, Net	\$ <u>8,109,980</u>	\$ <u>(95,442)</u>	\$ <u>-</u>	\$ <u>8,014,537</u>

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 4 – Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		Depreciation
Town	\$	315,079
Highways and Streets		115,110
Welfare Services		5,090
Mental Health		3,425
Senior Center		167,229
Total Governmental Activities	\$	605,933

Note 5 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health; and natural disasters.

The Township purchases commercial insurance to cover all risks. The amount of coverage has not decreased and the amount of settlements has not exceeded commercial insurance coverage for the past three fiscal years.

Note 6 – Long-Term Debt

The compensated absences currently outstanding are as follows:

	Fund Debt Retired by	Balance, April 1	Additions	Reductions	Balance, March 31	Due Within One Year
Compensated absences	General	\$ 317,803	\$ 271,633	\$ 211,431	\$ 378,005	\$ 223,623
Total		\$ 317,803	\$ 271,633	\$ 211,431	\$ 378,005	\$ 223,623

Compensated absences are liquidated by the fund in which the liability is incurred. For the year ended March 31, 2016, the two funds with the largest portion of the liability are the General and Senior Services funds.

Note 7 – Lease Commitments

During May 2013, the Township entered into a ten year lease agreement for office space located at 1535 Burgundy Parkway, Streamwood, IL with a related party. The lease requires an annual rental payment of \$10,000. The expense for the year ended March 31, 2016 was \$10,000.

During December 2011, the Township entered into an agreement to lease buses at a rate of \$100 per month per vehicle. The agreement can be changed by either party with 30 days written notice. This is treated as a monthly expense and is not figured into the below future minimum operating lease amounts.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 7 – Lease Commitments (continued)

The following is a schedule of future minimum lease payments (FMLP) required in the above leases as of March 31, 2016:

March 31,		FMLP
2017	\$	10,000
2018		10,000
2019		10,000
2020		10,000
2021		10,000
Thereafter		20,000
Total	\$	70,000

Note 8 – License Revenue

The Township has entered into non-exclusive license agreements during the year. Agency licensees take part in a network to promote a comprehensive approach to the betterment of each client along with other license agencies. Licensees are granted use of space and other resources for their fee.

The following is a schedule of future minimum license revenues (FMLR) required from these agreements as of March 31, 2016:

March 31,		FMLR
2017	\$	9,000
2018		-
2019		-
2020		-
2021		-
Thereafter		-
Total	\$	9,000

Note 9 – Related Party

The Township is a related party with regards to its rental payments. The agency that the Township rents office space from is a related party. See Note 7 for more detail on leases.

Note 10 – Motor Fuel Tax Funds

Every year the Township receives an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the state to Cook County where it is held for pending projects approved by the Hanover Township's Highway Commissioner. When the projects are approved by management, payment and account for the projects are done through Cook County. These funds are not reflected in the financial statements of the Township.

**Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016**

Note 11 – Interfund Activity

Transfers In (Out)

Individual fund transfers are as follows:

	Transfers In		Transfers Out
General (Town)	\$ -	\$	165,000
Senior Services	325,000		100,000
Road and Bridge	-		375,000
Capital Projects	250,000		-
Nonmajor Governmental	65,000		-
Total	\$ 640,000	\$	640,000

The purpose of significant transfers during the year is as follows:

\$150,000 transferred from the General (Town) to the Capital projects fund and \$15,000 transferred from the General (Town) Fund to the Vehicle Replacement Fund was to use unrestricted revenues collected in the Town fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. \$325,000 transferred from the Road and Bridge Fund to the Senior Services Fund was to be spent for direct costs of senior citizen transportation programs pursuant to 605 ILCS 5/6-131, 60 ILCS 1/85-13 and ILCS 1/220-10. \$25,000 transferred from the Road and Bridge Fund to the nonmajor governmental funds was to be spent for direct costs of senior citizen transportation. \$100,000 transferred from the Senior Services Fund to the Capital Projects Fund to finance capital projects.

Note 12 – Expenditures Over Budget

For the year ending March 31, 2016, some line-item expenditures exceeded appropriations. In the General (Town) Fund, expenditures for legal services exceeded appropriations by \$48,991. This was due to higher than anticipated legal needs. In the Senior Services Fund, expenditures for programming exceeded appropriations by \$50,663. This was because the Senior Center was able to put on more programs than previous fiscal years and was offset by higher program revenue. Senior program revenue exceeded appropriations by \$27,667.

Note 13 – Retirement Fund Commitments

Illinois Municipal Retirement Fund

Plan Description

The Township’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes

**Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016**

Note 13 – Retirement Fund Commitments (continued)

financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries	30
Inactive, non-retired members	61
Active members	79
Total	170

Contributions

As set by statute, the Township’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 13 – Retirement Fund Commitments (continued)

member contributions, to finance the retirement coverage of its own employees. The Township’s annual contribution rate for calendar year 2015 was 10.28%. For the fiscal year ended March 31, 2016, the Township contributed \$313,656 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

For the year ended March 31, 2016, the Township recognized pension expense of \$355,628. At March 31, 2016, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 70,418	\$ (70,418)
Change in assumptions	151,674	-	151,674
Net difference between projected and actual earnings on pension plan investments	399,469	-	399,469
Pension Contributions made subsequent to December 31, 2015	-	-	-
	-	-	-
Total Deferred Amounts Related to Pensions	\$ <u>551,143</u>	\$ <u>70,418</u>	\$ <u>480,725</u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 134,299
2017	134,299
2018	127,060
2019	85,067
2020	-
Thereafter	-
Total	\$ <u>480,725</u>

Net Pension Liability

The Township’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 13 – Retirement Fund Commitments (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

Methods and Assumptions used to Determine Total Pension Liability

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Market Value of Assets

• Price Inflation: 2.75%

Salary Increases: 3.75% to 14.50%

Investment Rate of Return: 7.49%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied from non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund annual actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 13 – Retirement Fund Commitments (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.49%.

Changes in Net Pension Liability

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Balances at December 31, 2014	\$ 6,938,415	\$ 6,275,650	\$ 662,765
Changes for the year:			
Service Cost	310,457	-	310,457
Interest on the Total Pension Liability	522,203	-	522,203
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(25,587)	-	(25,587)
Changes of Assumptions	10,434	-	10,434
Contributions - Employer	-	313,656	(313,656)
Contributions - Employees	-	137,914	(137,914)
Net Investment Income	-	31,852	(31,852)
Benefit Payments, including Refunds of Employee Contributions	(261,885)	(261,885)	-
Other (Net Transfer)	-	(202,323)	202,323
Net Changes	555,622	19,214	536,408
Balances at December 31, 2015	\$ 7,494,037	\$ 6,294,864	\$ 1,199,173

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2016

Note 13 – Retirement Fund Commitments (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease		Current Single Discount Rate Assumption		1% Increase
	6.49%		7.49%		8.49%
Total Pension Liability	\$ 8,632,886	\$	7,494,037	\$	6,576,441
Plan Fiduciary Net Position	6,294,864		6,294,864		6,294,864
Net Pension Liability/(Asset)	\$ 2,338,022	\$	1,199,173	\$	281,577

Note 14 – Other Postemployment Benefits

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium.

The Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2016.

Note 15 – Date of Management's Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events required to be disclosed.

Required Supplementary Information

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General (Town) Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property taxes	\$ 3,489,364	\$ 3,506,889
State replacement taxes	30,000	27,061
Investment income	7,500	7,647
Passport fees	50,000	100,695
Rental income	10,500	10,500
Youth Commission	116,500	110,415
Intergovernmental	-	-
Miscellaneous	22,501	22,830
Total revenues	<u>3,726,365</u>	<u>3,786,037</u>
Expenditures		
Current		
Town	2,208,603	2,167,154
Youth services	1,065,447	1,035,023
Community relations	229,099	234,266
Capital outlay	<u>110,000</u>	<u>124,380</u>
Total expenditures	<u>3,613,149</u>	<u>3,560,823</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>113,216</u>	<u>225,214</u>
Other Financing Sources (Uses)		
Transfers in	-	-
Transfers (out)	<u>(165,000)</u>	<u>(165,000)</u>
Total other financing sources (uses)	<u>(165,000)</u>	<u>(165,000)</u>
Net Change in Fund Balance	<u>\$ (51,784)</u>	60,214
Fund Balance, April 1		<u>2,816,412</u>
Fund Balance, March 31		<u>\$ 2,876,626</u>

(The accompanying notes are an integral part of the financial statements.)

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Senior Services Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 1,029,475	\$ 1,035,921
Program revenue	142,000	169,667
Intergovernmental	166,022	150,231
Investment income	1,500	843
Miscellaneous	28,000	45,072
Total revenues	1,366,997	1,401,734
Expenditures		
Senior center		
Administration	800,108	728,888
Social services	169,000	213,066
Nutrition	182,476	184,184
Transportation	510,230	514,820
Total expenditures	1,661,814	1,640,958
Excess (Deficiency) of Revenues Over Expenditures	(294,817)	(239,224)
Other Financing Sources (Uses)		
Transfers in	325,000	325,000
Transfers (out)	(100,000)	(100,000)
Total other financing sources (uses)	225,000	225,000
Net Change in Fund Balance	\$ (69,817)	(14,224)
Fund Balance, April 1		1,178,932
Fund Balance, March 31		\$ 1,164,708

(The accompanying notes are an integral part of the financial statements.)

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 875,981	\$ 874,722
Replacement taxes	17,000	23,424
Investment income	5,000	4,972
Miscellaneous	<u>3,100</u>	<u>5,426</u>
Total revenues	<u>901,081</u>	<u>908,544</u>
Expenditures		
Highway and street maintenance		
Maintenance of roads	1,037,500	688,037
Administration	<u>158,280</u>	<u>110,274</u>
Total highway and street maintenance	<u>1,195,780</u>	<u>798,311</u>
Capital outlay	517,501	84,232
Total expenditures	<u>1,713,281</u>	<u>882,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(812,200)</u>	<u>26,001</u>
Other Financing Sources (Uses)		
Transfers (out)	<u>(375,000)</u>	<u>(375,000)</u>
Total other financing sources (uses)	<u>(375,000)</u>	<u>(375,000)</u>
Net Change in Fund Balance	<u>\$ (1,187,200)</u>	(348,999)
Fund Balance, April 1		<u>1,227,111</u>
Fund Balance, March 31		<u>\$ 878,112</u>

(The accompanying notes are an integral part of the financial statements.)

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Mental Health Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 1,067,993	\$ 1,068,355
Replacement taxes	12,000	12,254
Investment income	1,500	631
Rental income	10,800	12,000
Miscellaneous	<u>13,000</u>	<u>13,245</u>
Total revenues	<u>1,105,293</u>	<u>1,106,485</u>
Expenditures		
Mental Health		
Service contracts/grants by agency	1,106,500	1,087,082
Administration occupancy expenses	112,575	98,530
Building occupancy expenses	<u>44,500</u>	<u>41,032</u>
Total expenditures	<u>1,263,575</u>	<u>1,226,644</u>
Net Change in Fund Balance	\$ <u><u>(158,282)</u></u>	(120,159)
Fund Balance, April 1		<u>990,370</u>
Fund Balance, March 31		\$ <u><u>870,211</u></u>

(The accompanying notes are an integral part of the financial statements.)

Hanover Township
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
For the Year Ended March 31, 2016

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 310,457	\$ 347,401	-	-	-	-	-	-	-	-
Interest on total pension liability	522,203	467,444	-	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(25,587)	(86,141)	-	-	-	-	-	-	-	-
Assumption changes	10,434	246,418	-	-	-	-	-	-	-	-
Benefit payments and refunds	(261,885)	(191,193)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>555,622</u>	<u>783,929</u>	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	<u>6,938,415</u>	<u>6,154,486</u>	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	<u><u>\$ 7,494,037</u></u>	<u><u>\$ 6,938,415</u></u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer contributions	\$ 313,656	\$ 311,833	-	-	-	-	-	-	-	-
Employee contributions	137,914	137,626	-	-	-	-	-	-	-	-
Pension plan net investment income	31,852	352,872	-	-	-	-	-	-	-	-
Benefit payments and refunds	(261,885)	(191,193)	-	-	-	-	-	-	-	-
Other	(202,323)	8,852	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>19,214</u>	<u>619,990</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>6,275,650</u>	<u>5,655,660</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 6,294,864</u></u>	<u><u>\$ 6,275,650</u></u>	-	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>1,199,173</u>	<u>662,765</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.00%	90.45%	-	-	-	-	-	-	-	-
Covered Valuation Payroll	\$ 3,055,773	\$ 2,875,349	-	-	-	-	-	-	-	-
Net Pension Liability as Percentage of Covered Valuation Payroll	39.24%	23.05%	-	-	-	-	-	-	-	-

(The accompanying notes are an integral part of the financial statements.)

**Hanover Township
Multiyear Schedule of Contributions
Illinois Municipal Retirement Fund
For the Year Ended March 31, 2016**

<u>Calendar Year Ending December 31,</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	\$ 296,161	\$ 311,833	\$ (15,672)	\$ 2,875,349	10.85%
2015	314,133 *	313,656	477	3,055,773	10.26%

* Estimated based on contribution rate of 10.28% and covered valuation payroll of \$3,055,773.

(The accompanying notes are an integral part of the financial statements.)

Hanover Township
Notes to Required Supplementary Information
For the Year Ended March 31, 2016

Note 1 – Summary of Significant Accounting Policies

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, and capital projects funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no funds exceeded the legal level of control.

Note 2 – Pension Plan

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate*

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:

Aggregate Entry Age Normal

Amortization Method:

Level Percentage of Payroll, Closed

Remaining Amortization Period:

Non-Taxing bodies: 10 year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).

Asset Valuation Method:

5-Year smoothed market; 20% corridor

Wage Growth:

4.00%

Hanover Township
Notes to Required Supplementary Information
For the Year Ended March 31, 2016

Note 2 – Pension Plan (Continued)

Price Inflation:	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other Information:	
Notes:	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

Combining and Individual Fund Financial Statements and Schedules

Hanover Township
Schedule of Expenditures - Budget and Actual
General (Town) Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Town		
Compensation of officials*	\$ 98,802	\$ 100,159
(*additional payroll due to accrual for leap year)		
Town Hall Administration		
Community affairs	10,000	7,297
Consulting	30,000	1,000
Education and training	18,000	17,372
Emergency contingency fund	50,000	-
Financial administration	62,781	61,685
Passport services	5,000	7,729
Legal notices	1,000	484
Health insurance	36,000	40,616
Dental, vision & life insurance	2,830	2,456
Unemployment	3,917	4,671
IMRF expense	22,554	17,437
FICA expense	13,763	12,495
Memberships, subscriptions, and publications	12,000	11,032
Miscellaneous	10,000	4,728
Office supplies	6,000	6,093
Postage	3,000	2,977
Pre-employment charges	750	328
Town Office salaries	340,000	358,785
Printing	4,500	5,263
Committee on youth	3,000	1,308
Environmental sustainability	1,000	824
Travel expenses	5,000	4,395
	<u>641,095</u>	<u>568,975</u>
Town Hall		
Equipment rental	2,600	2,339
Internet access	1,800	2,636
Telephone	30,000	38,811
Utilities	18,000	15,888
	<u>52,400</u>	<u>59,674</u>
Legal and Audit		
Auditing	10,000	8,023
Legal services	120,000	168,991
	<u>130,000</u>	<u>177,014</u>
Insurance and Employee Benefits		
Employee assistance program	1,600	1,451
Employee recognition	5,000	2,744
Employee wellness	8,000	7,228
Flex Plan	4,000	3,890
General insurance	138,000	147,715
	<u>156,600</u>	<u>163,028</u>

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Town (Continued)		
Pantry		
Salaries	48,000	39,765
Utilities	7,500	8,257
Health insurance	15,200	15,868
Dental, vision & life insurance	575	525
Unemployment	500	401
IMRF expense	2,467	1,808
FICA expense	1,506	951
Total pantry	75,748	67,575
Veteran's Affairs		
Salaries	20,500	16,292
Travel expense	250	237
Supplies	300	278
Unemployment	340	315
FICA expense	643	369
Veteran's Honor Roll	4,000	5,982
Training	800	-
Printing	400	625
Postage	530	403
IMRF expense	1,054	566
Total veteran's affairs	28,817	25,067
Assessor's Office		
Dues, subscriptions, and publications	2,695	2,818
Equipment purchases	3,430	2,588
Health Insurance	11,351	12,190
Dental, vision & life insurance	1,700	1,692
Unemployment	1,000	1,578
IMRF expense	6,059	5,810
FICA expense	3,697	2,385
Miscellaneous	1,176	1,167
Communications	1,000	-
Office supplies	4,410	4,447
Printing	1,225	840
Professional services	980	-
Salaries	117,875	118,857
Training	3,430	2,063
Travel expense	3,234	1,128
Total assessor's office	163,262	157,563
Town Facilities and Maintenance		
Building contracts	13,000	11,959
Building maintenance - Izaak	4,000	1,569
Building maintenance - Astor	1,800	1,132
Building maintenance - Senior	9,500	6,189
Building maintenance -Town	8,500	4,639
Cell phone/communications	1,700	1,414
Education and training	1,000	855
Equipment maintenance - Izaak	4,000	22
Equipment maintenance - Astor	1,250	359
Equipment maintenance - Senior	12,500	11,551
Equipment maintenance - Town	10,000	8,978
Equipment rental	2,000	1,168
Grounds maintenance	11,500	8,839

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Town (Continued)		
Town facilities and maintenance (Continued)		
Health insurance	45,950	42,195
Dental, vision & life insurance	2,830	3,026
Unemployment	1,700	2,286
IMRF expense	13,672	11,984
FICA expense	8,343	7,816
Housekeeping contract	40,000	44,464
Janitorial supplies - Izaak	800	80
Janitorial supplies - Astor	1,000	143
Janitorial supplies - Senior	5,000	4,931
Janitorial supplies - Town	4,000	4,755
Miscellaneous	1,000	221
Office supplies	400	537
Salaries	266,000	265,158
Seasonal projects assistance	5,000	10,470
Trash removal - Senior	1,800	2,901
Trash removal - Town	2,500	2,796
Trash removal - Astor	1,500	2,186
Trash removal - Izaak	1,200	1,400
Uniforms	900	1,130
Vehicle fuel - Town	7,500	6,011
Vehicle maintenance - Town	4,500	5,436
	<u>496,345</u>	<u>478,600</u>
Emergency Services		
Communications	9,000	12,663
Education/training	10,000	8,201
Emergency Ops Center	8,000	2,470
Equipment	22,000	45,334
Health insurance	15,650	1,400
Dental, vision & life insurance	570	571
Unemployment	340	496
IMRF expense	2,082	1,822
FICA expense	1,270	1,252
Miscellaneous	1,000	1,303
Office supplies	750	1,012
Postage	100	114
Pre-volunteer screening	500	275
Printing	1,000	636
Salaries	40,500	40,000
Travel	2,500	524
Uniforms	7,000	8,007
Vehicle fuel and maintenance	6,000	14,564
Volunteer appreciation	3,750	2,813
Volunteer insurance	800	-
	<u>132,812</u>	<u>143,457</u>

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Town (Continued)		
Community Health		
Communications	1,750	1,227
Community affairs	3,500	2,416
Crisis care	2,750	789
Dues, subscriptions, and publications	200	78
Furniture and computer equipment	1,550	2,101
Health Insurance	18,810	23,205
Dental, vision & life insurance	1,700	1,731
Unemployment	1,350	1,301
IMRF expense	8,795	6,247
FICA expense	5,367	4,125
License/professional insurance	300	216
Medical supplies	7,350	7,387
MHB prescription reimbursements	-	-
Miscellaneous	1,000	525
Office supplies	2,000	1,601
Postage	700	529
Printing	1,800	1,266
Professional services	1,500	512
Salaries	171,100	170,001
Travel	1,200	785
	<u>232,722</u>	<u>226,042</u>
Total community health		
	<u>232,722</u>	<u>226,042</u>
Total town	<u>2,208,603</u>	<u>2,167,154</u>
Youth Services		
Answering service	1,200	1,200
Books and journals	500	792
Cellphones	2,000	1,662
Community affairs	3,100	2,937
Consulting fees	3,600	3,300
Dues and subscriptions	500	785
Education and training	8,850	7,423
Equipment and furniture	5,500	3,310
Health insurance	97,300	110,120
Dental, vision and life insurance	7,950	7,499
Unemployment	9,000	6,940
IMRF expense	40,024	32,212
FICA expense	24,423	15,493
Insurance	-	-
Intern stipends	3,500	2,260
Miscellaneous	500	226
Office supplies	4,000	3,298
Postage	600	814
Printing	2,300	2,288
Professional services	1,200	1,185
Program supplies	2,000	1,910
Psychiatric backup	9,000	5,720
Recruitment and pre-employment	2,000	440
Salaries	721,550	716,141

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Youth Services (Continued)		
Seasonal open gym program	81,600	76,893
Transportation	2,750	808
Travel	6,500	6,612
Tutoring	24,000	22,755
Youth job incubator project	-	-
	<u>1,065,447</u>	<u>1,035,023</u>
Community Relations		
Salaries	100,410	104,915
Education and training	1,200	963
Printing	800	618
Postage	400	-
Equipment and furniture	2,500	2,637
Office supplies	1,000	1,027
Satellite office programs	1,500	1,419
Satellite office utilities	6,000	6,532
Satellite office phone and internet	3,500	3,529
Travel	1,300	739
Communications	64,000	64,059
Community service awards	2,000	2,258
Historical marker program	2,400	1,479
Dues and subscriptions	400	547
Veteran honor roll	-	-
Community festivals	13,000	13,000
Health insurance	18,539	20,685
Dental, vision and life insurance	1,140	995
Unemployment	700	1,036
IMRF expense	5,161	4,958
FICA expense	3,149	2,870
	<u>229,099</u>	<u>234,266</u>
Capital Outlay		
Equipment	20,000	21,570
Facility lease	20,000	22,000
Computer equipment and software	70,000	80,810
	<u>110,000</u>	<u>124,380</u>
Total Expenditures	<u>\$ 3,613,149</u>	<u>\$ 3,560,823</u>

Hanover Township
Schedule of Expenditures - Budget and Actual
Senior Services Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Senior Center		
Administration		
Community affairs	\$ 2,000	\$ 1,649
Consultants	500	-
Contingency	50,000	3,606
Dues and subscriptions	2,800	3,344
Education and training	3,500	4,360
Equipment purchases/rental/repair	9,000	14,234
Health Insurance	83,725	79,154
Dental, Vision & Life Insurance	5,100	3,844
Unemployment	6,500	6,527
IMRF Expense	25,700	22,903
FICA Expense	15,683	15,041
Intern stipends	5,000	3,754
Miscellaneous	1,000	1,259
Postage	4,000	4,563
Printing	4,000	7,849
Recruitment	1,500	2,549
Salaries	500,000	483,287
Supplies	9,500	10,307
Telephone and high speed internet	3,600	2,052
Travel	2,000	4,822
Utilities	65,000	53,784
	800,108	728,888
Total administration		
Social Services		
Communications	14,000	15,273
Computer instruction	1,500	489
Senior Assistance	3,000	1,812
Programming	95,000	145,663
Social services	3,000	3,761
Visual arts	18,500	20,565
Volunteer services	14,000	11,137
Psychiatric services	16,000	11,021
Weekend programming	4,000	3,345
	169,000	213,066
Total social services		

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
Senior Services Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Nutrition		
Salaries	52,750	57,030
Food	50,000	54,118
Equipment	3,500	2,742
Supplies	2,400	10,441
Training	500	459
Recruitment	500	1,101
Home delivered meals salaries	16,250	12,472
Home delivered meals benefits	3,250	-
Home delivered meals food	33,000	21,747
Home delivered meals equipment	4,000	6,415
Home delivered meals supplies	2,000	6,711
Health insurance	8,725	9,009
Dental, vision and life insurance	570	609
Unemployment	665	-
IMRF Expense	2,711	1,294
FICA Expense	1,655	36
	182,476	184,184
Transportation		
Alternative transportation	5,000	-
Fuel	45,000	35,377
Health Insurance	45,500	49,422
Dental, Vision & Life Insurance	4,550	4,677
Unemployment	4,000	3,689
IMRF Expense	15,420	13,765
FICA Expense	9,410	8,042
Recruitment	1,500	1,540
Salaries	300,000	306,777
Telephone	6,800	7,071
Training	8,000	5,818
Uniforms	1,500	894
Dispatch software	18,550	10,932
Vehicle maintenance	45,000	66,816
	510,230	514,820
Total Expenditures	\$ 1,661,814	\$ 1,640,958

Hanover Township
Schedule of Expenditures - Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Highways and Streets		
Maintenance of roads		
Bridge repair and maintenance	\$ 10,000	\$ -
Contract work	600,000	378,249
Controlled substance testing	500	450
Engineering	25,000	16,221
Gasoline	20,000	9,327
Maintenance supplies	5,000	60
Operating supplies and materials	30,000	15,575
Salaries	175,000	163,995
Salt	150,000	70,295
Signs, stripping, and tree removal	5,000	750
Street lighting	17,000	33,115
 Total maintenance of roads	 1,037,500	 688,037
 Administration		
Accounting	2,500	2,500
Community affairs	20,000	8,586
Dues, subscriptions, and publications	1,000	1,058
Dental, vision & life insurance	1,700	1,017
FICA expense	13,388	12,381
IMRF expense	17,990	15,554
Unemployment compensation	1,000	1,096
Insurance	47,502	44,507
Legal	20,000	10,140
Miscellaneous	2,000	1,103
Office supplies	2,500	1,919
Postage	1,500	667
Printing	1,000	50
Replacement tax	12,000	-
Service charges	200	161
Telephone	3,500	3,394
Training and conferences	1,000	161
Travel expense	1,500	94
Uniforms and safety equipment	1,500	1,567
Utilities	6,500	4,319
 Total administration	 158,280	 110,274
 Total highway and street maintenance	 1,195,780	 798,311
 Capital Outlay		
Machine rental	1,500	615
Equipment purchase	100,000	31,228
Maintenance - vehicles and equipment	50,000	52,389
Emergency equipment	1,000	-
Construction equipment	1	-
Building and permanent improvements	10,000	-
Building maintenance	5,000	-
Land/building acquisition and improvements	350,000	-
 Total capital outlay	 517,501	 84,232
 Total Expenditures	 \$ 1,713,281	 \$ 882,543

Hanover Township
Schedule of Expenditures - Budget and Actual
Mental Health Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Mental Health		
Service contracts/grants by agency		
AID case management	\$ 5,000	\$ 5,000
AID supportive employment	40,000	40,000
Alexian Brothers - outpatient psy	21,000	21,000
Alexian Brothers - senior mh	40,000	40,000
Autism Society of Illinois	1,000	500
Bartlett Learning Center	7,200	6,930
Boys and Girls Club	6,100	6,100
CAC Family Support	3,100	3,100
CAC Safe from the Start	18,000	18,000
Capital Grant Fund	40,000	38,444
CASI	18,500	18,500
Catholic Charities Caregivers	3,500	3,500
CCC Strategies for Safety	6,000	6,000
Centro de Informacion	33,000	33,000
Challenge Grant Fund	40,000	13,965
Clearbrook Children's program	7,000	7,000
Clearbrook Residential	8,900	8,900
Domestic Violence Center	30,000	30,000
Community Crisis Counseling	25,700	25,700
Community Crisis SA Counseling	9,000	9,000
Contract support services	150,000	194,379
Countryside In-home Respite	3,000	2,670
Day One Network	7,500	7,500
Easter Seals DuPage	53,700	53,700
Ecker Center/PEP	7,000	7,000
Ecker Therapy Services	78,000	78,000
Elgin Family Center - case management	-	-
Elgin Family Center - post partum	-	-
Epilepsy Foundation	1,000	1,000
Family Service Youth	21,000	21,000
Family Service Senior	12,400	12,400
Greater Elgin Family Care Center	-	480
Hanover Township Youth and Family	9,000	5,955
HTYFS Alt. to Suspension	25,000	25,000
HTYFS Interventionist	50,000	50,000
Journeys from PADS to Hope	3,600	3,003
Kenneth Young Center - SASS	9,000	11,162
Leyden Township - detox/rehab	50,000	50,000
LSSI - Legacy Corps	20,000	15,000
Maryville Academy Casa Salama	25,000	25,000
MI-drug/medical tests fund	5,000	-
Northwest Casa	8,000	8,000
Open Door Clinic	5,000	5,000
AID transportation	26,000	25,200
PADS of Elgin	25,000	25,000

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
Mental Health Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Mental Health (Continued)		
Service contracts/grants by agency (Continued)		
RENZ outpatient	60,000	60,000
Shelter Inc Healthy Families	12,000	12,000
Staff Development Grant Fund	30,000	8,501
Summit Center	12,000	12,000
The Bridge	10,300	10,300
Tide Project	15,000	13,193
WINGS transitional shelter	10,000	10,000
	<u>1,106,500</u>	<u>1,087,082</u>
Total service contracts/grants by agency		
Administration		
Community relations	1,000	501
Conference expense	750	550
Consultants	18,000	17,551
Dues	2,000	528
Employee insurance	7,125	3,170
Equipment/database	3,000	500
FICA expense	4,300	4,155
Hanover Township services	4,500	4,500
IMRF expense	5,750	5,554
Legal	3,000	3,381
Miscellaneous	500	480
Personal expense reimbursement	1,000	117
Postage	500	277
Printing	1,500	647
Salaries	56,500	55,061
Special events	1,000	800
Subscriptions and publications	150	114
Supplies	1,000	243
Unemployment compensation	1,000	401
	<u>112,575</u>	<u>98,530</u>
Total administrative planning and development		
Building Occupancy Expenses		
Agency support services	8,500	10,231
Building maintenance	5,500	4,711
Capital improvements	5,000	4,498
Insurance	-	-
Janitorial	5,500	4,968
Rent	10,000	10,000
Telephone systems maintenance	2,000	764
Utilities	8,000	5,860
	<u>44,500</u>	<u>41,032</u>
Total building occupancy expenses		
Total Expenditures	<u>\$ 1,263,575</u>	<u>\$ 1,226,644</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Intergovernmental	\$ <u>1,000</u>	\$ <u>7,000</u>
Total revenues	<u>1,000</u>	<u>7,000</u>
Expenditures		
Capital outlay	<u>585,000</u>	<u>257,060</u>
Total expenditures	<u>585,000</u>	<u>257,060</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(584,000)</u>	<u>(250,060)</u>
Other Financing Sources (Uses)		
Transfers in	<u>250,000</u>	<u>250,000</u>
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>
Net Change in Fund Balance	<u>\$ (334,000)</u>	(60)
Fund Balance, April 1		<u>392,790</u>
Fund Balance, March 31		\$ <u><u>392,730</u></u>

**Hanover Township
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2016**

	Special Revenue			Capital Projects	
	General Assistance	Illinois Municipal Retirement	Social Security	Vehicle Replacement	Total
Assets					
Cash and investments	\$ 361,224	\$ 122,541	\$ 78,506	\$ 327,000	\$ 889,271
Receivables					
Property Taxes	193,003	91,908	73,527	-	358,438
Total Assets	\$ 554,227	\$ 214,449	\$ 152,033	\$ 327,000	\$ 1,247,709
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,631	\$ -	\$ -	\$ -	\$ 1,631
Accrued payroll	3,349	-	-	-	3,349
Unearned revenue	190,761	90,851	72,681	-	354,293
Total liabilities	195,741	90,851	72,681	-	359,273
Fund Balances					
Restricted for general assistance	358,486	-	-	-	358,486
Restricted for employee retirement	-	123,598	79,352	-	202,950
Assigned for vehicle replacement	-	-	-	327,000	327,000
Total fund balances	358,486	123,598	79,352	327,000	888,436
Total Liabilities and Fund Balances	\$ 554,227	\$ 214,449	\$ 152,033	\$ 327,000	\$ 1,247,709

Hanover Township
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2016

	<u>Special Revenue</u>			<u>Capital Projects</u>	
	<u>General Assistance</u>	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Vehicle Replacement</u>	<u>Total</u>
Revenues					
Taxes	\$ 371,951	\$ 175,882	\$ 140,701	\$ -	\$ 688,534
Intergovernmental	6,041	-	-	-	6,041
Investment income	238	83	51	376	748
Miscellaneous	13,388	-	-	9,584	22,972
Total revenues	<u>391,618</u>	<u>175,965</u>	<u>140,752</u>	<u>9,960</u>	<u>718,295</u>
Expenditures					
Current					
Town	183,151	173,380	140,114	-	496,645
Home relief	193,289	-	-	-	193,289
Employment services	-	-	-	-	-
Capital outlay	-	-	-	276,732	276,732
Total expenditures	<u>376,440</u>	<u>173,380</u>	<u>140,114</u>	<u>276,732</u>	<u>966,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,178</u>	<u>2,585</u>	<u>638</u>	<u>(266,772)</u>	<u>(248,371)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	65,000	65,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>65,000</u>
Net Changes in Fund Balances	15,178	2,585	638	(201,772)	(183,371)
Fund Balances, April 1	<u>343,308</u>	<u>121,013</u>	<u>78,714</u>	<u>528,772</u>	<u>1,071,807</u>
Fund Balances, March 31	<u>\$ 358,486</u>	<u>\$ 123,598</u>	<u>\$ 79,352</u>	<u>\$ 327,000</u>	<u>\$ 888,436</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Assistance Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 367,670	\$ 367,866
Replacement taxes	4,000	4,085
Intergovernmental	15,000	6,041
Investment income	1,000	238
Miscellaneous	10,001	13,388
Total revenues	397,671	391,618
Expenditures		
Town		
Salaries	137,000	136,673
Office supplies	3,000	4,687
Equipment, minor, and rental	4,500	5,067
Travel	2,000	1,869
Postage	600	14
Printing	1,500	2,273
Dues, subscriptions, and publications	500	475
Community affairs	1,000	1,525
Professional services	2,000	4,023
Volunteer appreciation	1,500	770
Miscellaneous	500	264
Health insurance	12,600	12,178
Dental, vision and life insurance	1,200	1,213
Unemployment	1,000	2,092
IMRF expense	7,042	6,000
FICA expense	4,297	4,028
Total town	180,239	183,151
Home Relief		
Rent	134,000	109,993
Utilities	20,000	18,288
Clothing	24,000	22,212
Travel	10,000	8,745
Hospital	25,000	-
Burial	1,500	-
Insurance	3,500	3,175
Emergency assistance	50,000	30,876
Other	100	-
Total home relief	268,100	193,289
Capital improvements	-	-
Total expenditures	448,339	376,440
Net Change in Fund Balance	\$ (50,668)	15,178
Fund Balance, April 1		343,308
Fund Balance, March 31		\$ 358,486

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Illinois Municipal Retirement Fund
For the Year Ended March 31, 2016

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 173,330	\$ 175,882
Investment income	50	83
Total revenues	173,380	175,965
Expenditures		
Town		
IMRF	173,380	173,380
Total expenditures	173,380	173,380
Excess (Deficiency) of Revenue Over Expenditures	-	2,585
Other Financing Sources (Uses)		
Transfers in	-	-
Total other financing sources (uses)	-	-
Net Change in Fund Balance	\$ -	2,585
Fund Balance, April 1		121,013
Fund Balance, March 31		\$ 123,598

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Social Security Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 140,064	\$ 140,701
Investment income	<u>50</u>	<u>51</u>
Total revenues	<u>140,114</u>	<u>140,752</u>
Expenditures		
Town		
Social security	<u>140,114</u>	<u>140,114</u>
Total expenditures	<u>140,114</u>	<u>140,114</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>-</u>	<u>638</u>
Other Financing Sources (Uses)		
Transfers in	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	638
Fund Balance, April 1		<u>78,714</u>
Fund Balance, March 31		<u>\$ 79,352</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Vehicle Replacement Fund
For the Year Ended March 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Investment income	\$ 500	\$ 376
Miscellaneous		
Bus fares	<u>8,500</u>	<u>9,584</u>
Total revenues	<u>9,000</u>	<u>9,960</u>
Expenditures		
Capital outlay	<u>260,000</u>	<u>276,732</u>
Total expenditures	<u>260,000</u>	<u>276,732</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(251,000)</u>	<u>(266,772)</u>
Other Financing Sources (Uses)		
Transfers in	<u>65,000</u>	<u>65,000</u>
Total other financing sources (uses)	<u>65,000</u>	<u>65,000</u>
Net Change in Fund Balance	<u>\$ (186,000)</u>	(201,772)
Fund Balance, April 1		<u>528,772</u>
Fund Balance, March 31		\$ <u><u>327,000</u></u>

Statistical Section

STATISTICAL SECTION

This part of the Township's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information displays about the Township's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have been changed over time.	55-59
Revenue Capacity These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	60-63
Debt Capacity These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	64-66
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	67-68
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.	69-75

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The Township implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

**Hanover Township
Net Position by Component
Last Ten Fiscal Years**

<u>Fiscal Years</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Invested in capital assets net of related debt	\$ 6,040,260	\$ 5,962,260	\$ 5,845,010	\$ 5,811,094	\$ 6,062,044	\$ 6,752,251	\$ 7,926,393	\$ 8,289,515	\$ 8,109,980	\$ 8,014,537
Restricted	-	-	-	-	4,669,678	4,625,474	4,834,971	4,237,762	3,939,448	3,474,467
Unrestricted	<u>9,075,448</u>	<u>10,384,978</u>	<u>10,259,290</u>	<u>11,667,673</u>	<u>1,722,108</u>	<u>3,090,129</u>	<u>3,422,291</u>	<u>3,519,818</u>	<u>3,420,170</u>	<u>2,583,962</u>
Total Government Activities	\$ <u>15,115,708</u>	\$ <u>16,347,214</u>	\$ <u>16,104,300</u>	\$ <u>17,478,767</u>	\$ <u>12,453,830</u>	\$ <u>14,467,854</u>	\$ <u>16,183,655</u>	\$ <u>16,047,095</u>	\$ <u>15,469,598</u>	\$ <u>14,072,966</u>

Data Source

Township Financial Statements

**Hanover Township
Change in Net Position
Last Ten Fiscal Years**

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Town/Administration	\$ 4,664,542	\$ 5,096,649	\$ 6,764,880	\$ 2,888,366	\$ 3,013,820	\$ 3,198,400	\$ 2,629,673	\$ 2,634,442	\$ 3,215,384	\$ 3,037,861
Youth services	-	-	-	659,001	694,731	772,571	743,361	997,654	981,019	1,040,049
Community relations	-	-	-	-	-	-	90,688	248,210	227,708	234,461
Home relief	-	-	-	112,569	80,981	177,239	110,480	214,668	206,667	193,289
Highways and streets	-	-	-	378,654	538,499	491,052	453,594	551,346	1,000,223	966,389
Mental health	-	-	-	847,923	1,111,867	1,098,471	611,429	1,009,693	978,779	1,232,181
Senior center	-	-	-	1,067,531	1,236,521	1,435,444	1,468,928	1,681,954	1,789,715	2,028,082
Employment Services	-	-	-	-	-	-	-	90,961	42,020	-
Interest	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>4,664,542</u>	<u>5,096,649</u>	<u>6,764,880</u>	<u>5,954,044</u>	<u>6,676,419</u>	<u>7,173,177</u>	<u>6,108,153</u>	<u>7,428,928</u>	<u>8,441,515</u>	<u>8,732,312</u>
Total Primary Government Expenses	<u>\$ 4,664,542</u>	<u>\$ 5,096,649</u>	<u>\$ 6,764,880</u>	<u>\$ 5,954,044</u>	<u>\$ 6,676,419</u>	<u>\$ 7,173,177</u>	<u>\$ 6,108,153</u>	<u>\$ 7,428,928</u>	<u>\$ 8,441,515</u>	<u>\$ 8,732,312</u>
Program Revenues										
Governmental activities										
Charges for services										
Town/Administration	\$ 202,380	\$ 210,059	\$ 217,601	\$ 73,400	\$ 52,965	\$ 41,563	\$ 60,980	\$ 82,421	\$ 79,671	\$ 111,195
Youth Services	-	-	-	13,829	44,581	26,753	28,408	120,872	33,098	29,461
Community relations	-	-	-	-	-	-	-	-	-	-
Home relief	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	2,915	-	-	-	-	-	-
Mental health	-	-	-	-	4,750	2,200	11,500	10,110	11,400	12,000
Senior center	-	-	-	95,270	89,864	90,654	136,509	197,031	181,939	169,667
Employment Service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	128,886	52,667	82,498	32,833	28,527	54,793	99,869	-	203,306	213,128
Capital grants and contributions	-	-	-	-	119,368	491,886	109,508	-	59,088	31,099
Total governmental activities program revenues	<u>331,266</u>	<u>262,726</u>	<u>300,099</u>	<u>218,247</u>	<u>340,055</u>	<u>707,849</u>	<u>446,774</u>	<u>410,434</u>	<u>568,502</u>	<u>566,550</u>
Total Primary Government Program Revenues	<u>\$ 331,266</u>	<u>\$ 262,726</u>	<u>\$ 300,099</u>	<u>\$ 218,247</u>	<u>\$ 340,055</u>	<u>\$ 707,849</u>	<u>\$ 446,774</u>	<u>\$ 410,434</u>	<u>\$ 568,502</u>	<u>\$ 566,550</u>
Net (Expense) Revenue										
Governmental activities	\$ (4,333,276)	\$ (4,833,923)	\$ (6,464,781)	\$ (5,735,797)	\$ (6,336,364)	\$ (6,465,328)	\$ (5,661,379)	\$ (7,018,494)	\$ (7,873,013)	\$ (8,165,762)
Total Primary Government Net (Expense) Revenue	<u>\$ (4,333,276)</u>	<u>\$ (4,833,923)</u>	<u>\$ (6,464,781)</u>	<u>\$ (5,735,797)</u>	<u>\$ (6,336,364)</u>	<u>\$ (6,465,328)</u>	<u>\$ (5,661,379)</u>	<u>\$ (7,018,494)</u>	<u>\$ (7,873,013)</u>	<u>\$ (8,165,762)</u>

(Continued)

**Hanover Township
Change in Net Position
Last Ten Fiscal Years**

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property	\$ 5,190,936	\$ 5,749,140	\$ 6,528,943	\$ 5,668	\$ 4,567,349	\$ 8,227,841	\$ 6,746,699	\$ 6,875,494	\$ 7,108,640	\$ 7,170,336
Other taxes	61,481	73,473	65,883	60,000	64,009	55,386	55,745	66,445	66,144	66,824
Investment income	219,861	205,982	100,918	23,864	17,734	19,271	18,102	18,873	16,616	14,841
Miscellaneous	54,665	36,838	75,051	81,061	96,754	176,854	324,348	77,253	104,116	109,545
Total governmental activities	<u>6,065,433</u>	<u>6,770,795</u>	<u>6,770,795</u>	<u>5,833,250</u>	<u>4,745,846</u>	<u>8,479,352</u>	<u>7,144,894</u>	<u>7,038,065</u>	<u>7,295,516</u>	<u>7,361,546</u>
Total Primary Government	<u>\$ 6,065,433</u>	<u>\$ 6,770,795</u>	<u>\$ 6,770,795</u>	<u>\$ 5,833,250</u>	<u>\$ 4,745,846</u>	<u>\$ 8,479,352</u>	<u>\$ 7,144,894</u>	<u>\$ 7,038,065</u>	<u>\$ 7,295,516</u>	<u>\$ 7,361,546</u>
Change in Net Position										
Governmental activities	\$ 1,213,510	\$ 306,014	\$ 306,014	\$ 97,453	\$ (1,590,518)	\$ 2,014,024	\$ 1,487,972	\$ 19,571	\$ (577,497)	\$ (804,216)
Total Primary Government Change in Net Position	<u>\$ 1,231,510</u>	<u>\$ 306,014</u>	<u>\$ 306,014</u>	<u>\$ 97,453</u>	<u>\$ (1,590,518)</u>	<u>\$ 2,014,024</u>	<u>\$ 1,487,972</u>	<u>\$ 19,571</u>	<u>\$ (577,497)</u>	<u>\$ (804,216)</u>

Data Source

Township Financial Statements

**Hanover Township
Fund Balances of Governmental Funds
Last Ten Fiscal Years**

<u>Fiscal Years</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 9,137	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,209,443	1,834,622	1,751,781	2,119,750	1,388,724	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	2,314,071	2,530,067	2,611,717	2,816,412	2,876,626
Total General Fund	\$ 1,209,443	\$ 1,834,622	\$ 1,751,781	\$ 2,119,750	\$ 1,397,861	\$ 2,314,071	\$ 2,530,067	\$ 2,611,717	\$ 2,816,412	\$ 2,876,626
All Other Government Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 559,480	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,669,774	5,228,257	5,761,324	6,337,559	4,688,801	-	-	-	-	-
Restricted for senior services	-	-	-	-	-	1,119,287	1,238,690	1,179,488	1,178,932	1,164,708
Restricted for highways and streets	-	-	-	-	-	1,960,854	1,817,232	1,614,623	1,227,111	878,112
Restricted for mental health	-	-	-	-	-	798,985	811,921	862,965	990,370	870,211
Restricted for general assistance	-	-	-	-	-	602,723	559,396	394,718	343,308	358,486
Restricted for employee retirement	-	-	-	-	-	180,514	205,881	185,968	199,727	202,950
Unrestricted	-	-	-	-	-	-	-	-	-	-
Assigned for capital projects	-	-	-	-	-	458,653	593,205	682,005	392,790	392,730
Assigned for vehicle replacement	-	-	-	-	-	639,485	698,230	566,975	528,772	327,000
Total All Other Government Funds	\$ 4,669,774	\$ 5,228,257	\$ 5,761,324	\$ 6,337,559	\$ 5,248,281	\$ 5,760,501	\$ 5,924,555	\$ 5,486,742	\$ 4,861,010	\$ 4,194,197

Note: GASB Statement No. 54 was implemented for the 2012 fiscal year.

Note: GASB Statement No. 68 was implemented for the 2016 fiscal year.

Data Source

Township Financial Statements

Hanover Township
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 4,927,989	\$ 5,690,277	\$ 5,875,390	\$ 6,515,441	\$ 4,631,358	\$ 8,283,227	\$ 6,808,787	\$ 6,941,939	\$ 7,174,784	\$ 7,237,160
Charges for services	137,492	124,701	114,376	211,686	198,524	161,170	237,397	338,135	387,963	403,277
Grants and contributions	120,281	49,090	76,026	28,261	141,531	546,679	209,377	295,299	180,539	163,272
Interest income	219,861	205,982	100,918	23,864	17,734	19,271	18,102	18,873	16,616	14,841
Miscellaneous	128,158	125,771	184,748	59,361	96,754	176,854	324,348	77,253	104,116	109,545
Total revenues	5,533,781	6,195,821	6,351,458	6,838,613	5,085,901	9,187,201	7,598,011	7,671,499	7,864,018	7,928,095
Expenditures										
Town/Administration	1,988,135	1,997,515	2,401,497	2,379,742	2,463,935	2,780,862	2,743,608	2,551,941	2,551,719	2,663,799
Youth services	532,509	572,499	646,591	659,001	711,116	760,340	789,540	1,000,458	980,582	1,035,023
Community relations	-	-	-	-	-	-	154,209	244,699	226,078	234,266
Home relief	96,884	127,539	189,946	112,569	75,827	172,165	201,053	214,668	206,667	193,289
Highways and streets	321,496	467,724	665,938	549,968	981,235	571,585	590,057	620,300	818,793	798,311
Mental health	594,201	730,020	775,361	847,923	1,115,229	1,170,636	1,016,734	1,005,347	975,658	1,226,644
Senior center	809,375	882,499	972,883	1,067,531	1,142,558	1,235,998	1,280,165	1,498,995	1,612,244	1,640,958
Nonmajor funds (1)	-	-	-	-	-	-	-	90,961	42,020	-
Capital outlay	368,414	234,363	249,017	277,675	407,168	1,138,883	440,709	800,293	871,294	742,404
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,711,014	5,012,159	5,901,233	5,894,409	6,897,068	7,830,469	7,216,075	8,027,662	8,285,055	8,534,694
Excess (Deficiency) of Revenues										
Over Expenditures	822,767	1,183,662	450,225	944,204	(1,811,167)	1,356,732	381,936	(356,163)	(421,037)	(606,599)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Transfers in	58,083	129,512	571,898	876,254	903,208	1,085,708	976,958	726,208	660,000	640,000
Transfers (out)	58,083	129,512	571,898	876,254	903,208	1,085,708	976,958	726,208	(660,000)	(640,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,452,416	-	-
Net Change in Fund Balances	\$ 822,767	\$ 1,183,662	\$ 450,225	\$ 944,204	\$ (1,811,167)	\$ 1,356,732	\$ 381,936	\$ (356,163)	\$ (421,037)	\$ (606,599)
Debt of Services as a Percentage of										
Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Data Source

Township Financial Statements

Hanover Township
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Levy Years

<u>Levy Year</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>
2006	\$ 2,120,188,975	0.2870	\$ 6,366,933,859
2007	2,500,789,640	0.2570	7,509,878,799
2008	2,655,449,288	0.2560	7,974,322,186
2009	2,750,659,751	0.2510	8,260,239,492
2010	2,527,513,700	0.2628	7,590,131,231
2011	2,265,103,457	0.3292	6,795,989,970
2012	2,065,428,552	0.374	6,202,481,942
2013	1,750,808,883	0.452	5,257,679,076
2014	1,773,089,762	0.454	5,319,269,286
2015	1,719,228,781	0.475	5,157,686,343

Note: Assessed value is set by the Country Assessor on an annual basis. The assessment level is then adjusted by the state with a County Multiplier based on the factor needed to bring the average prior year's level up to 33-1/3% of market value. Every three years there is a tri-annual assessment when all property is assessed.

Data Source

Cook County Clerk's Office

Hanover Township
Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years

<u>Tax Levy Year</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Corporate Fund	0.1279	0.1143	0.1137	0.1108	0.1159	0.1448	0.1645	0.1991	0.1996	0.2129
IMRF	0.0066	0.0059	0.0058	0.0056	0.0058	0.0073	0.0082	0.0099	0.0100	0.0106
Social Security	0.0052	0.0046	0.0046	0.0045	0.0047	0.0059	0.0067	0.0080	0.0080	0.0085
Senior Citizens Services	0.0383	0.0342	0.0339	0.0331	0.0344	0.0432	0.0488	0.0588	0.0589	0.0627
General Assistance	0.0120	0.0110	0.1100	0.0110	0.0119	0.0150	0.0170	0.0205	0.0210	0.0230
Mental Health	0.0370	0.0330	0.0330	0.0330	0.0349	0.0440	0.0500	0.0938	0.0610	0.0580
Road and Bridge	0.0600	0.0540	0.0540	0.0530	0.0551	0.0690	0.0780	0.0603	0.0950	0.0990
Total Direct Rate	0.2870	0.2570	0.2560	0.2510	0.2628	0.3292	0.3732	0.4504	0.4535	0.4747
Overlapping Rates										
Bartlett Fire Protection District	0.5100	0.4340	0.4280	0.4190	0.4730	0.5330	0.5800	0.6980	0.7340	N/A
Bartlett Park District	0.4780	0.4540	0.4330	0.4240	0.5520	0.6200	0.6600	0.7930	0.8240	N/A
Bartlett Public Library	0.2560	0.2420	0.2410	0.2090	0.2340	0.2610	0.2950	0.3310	0.3400	N/A
Community College District #509	0.3470	0.3480	0.3310	0.3540	0.4340	0.4750	0.5160	0.6380	0.6380	N/A
Cook County incl. Forest Preserve	0.5570	0.4990	0.4660	0.4640	0.4740	0.5200	0.5940	0.6290	0.6370	N/A
Metropolitan Water Reclamation Dist.	0.2840	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300	N/A
Unit School Districts #46	4.8740	4.5650	4.4350	4.3390	5.0260	5.5070	6.5400	7.5800	7.6680	N/A
Village of Bartlett	0.7010	0.7200	0.7030	0.6860	0.7500	0.8510	0.9420	1.0670	1.1110	N/A
Total Rates	8.2940	7.7850	7.5450	7.4070	8.2170	9.0870	10.4970	12.1530	12.3820	N/A

N/A - Information not available

Data Source

Cook County Clerk's Office and Village of Bartlett

**Hanover Township
Principal Property Taxpayers
Current and Ten Years Ago**

Taxpayer	Type of Business	2015			2006	
		Taxable Assessed Value		Percentage of Total Township Taxable Assessed Valuation	Taxable Assessed Value	Percentage of Total Township Taxable Assessed Valuation
Walmart Stores	Retailer	\$ 12,527,196	1	1.84%	\$ 5,470,626	0.71%
Property Valuation Services	Health Care	8,871,503	2	1.30%		
Target Corp.	Retailer	8,516,560	3	1.25%	3,951,865	0.57%
IRC	Shopping Center	6,486,108	4	0.95%		
Newplan Excel Realty	Real Estate	5,952,985	5	0.87%		
Sambell Streamwood	Health Care	4,705,160	6	0.69%	2,000,318	0.29%
KRC	Retailer	2,483,424	7	0.36%	1,224,662	0.18%
Sutton Park Developers	Shopping Center	2,361,094	8	0.35%		
National Shopping Inc.	Shopping Center	2,099,402	9	0.31%	894,754	0.13%
Nicholas Novelle	Individual	1,921,740	10	0.28%		
Duraco Products, Inc.	Manufacturing				3,611,022	0.52%
Easley, McCaleb and Associates	Private Hospital				3,099,997	0.45%
CNC	Manufacturing				2,582,306	0.37%
Bradley Real Estate	Shopping Center				1,843,043	0.27%
Aluminum Coil	Manufacturing				997,062	0.14%
		<u>\$ 55,925,172</u>		<u>8.20%</u>	<u>\$ 25,675,655</u>	<u>3.63%</u>

Data Source

Assessor's Office and Village of Streamwood

**Hanover Township
Property Tax Levies and Collections
Last Ten Levy Years**

<u>Levy Year</u>	<u>Tax Levied</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2006	\$ 5,467,549	\$ 1,922,645	35.16%	\$ 3,401,170	\$ 5,323,815	97.37%
2007	5,770,492	2,258,800	39.14%	3,305,001	5,563,801	96.42%
2008	6,100,190	2,455,053	40.25%	3,503,035	5,958,088	97.67%
2009	6,211,168	2,966,269	47.76%	3,086,454	6,052,723	97.45%
2010	6,499,848	1,485,362	22.85%	4,870,527	6,355,889	97.79%
2011	6,734,324	3,244,188	48.17%	3,385,015	6,629,203	98.44%
2012	6,950,568	3,419,758	49.20%	3,457,338	6,877,096	98.94%
2013	7,119,220	2,982,980	41.90%	4,041,692	7,024,672	98.67%
2014	7,254,876	3,560,964	49.08%	3,618,242	7,179,206	98.96%
2015	7,349,616	3,793,923	51.62%	N/C	3,793,923	51.62%

N/C - Nothing collected as of March 31

Data Source

Cook County Clerk's Office

**Hanover Township
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Township</u>	<u>Percentage of Personal Income*</u>	<u>Per Capita*</u>
	<u>General Obligation Bonds</u>	<u>Loan Payable</u>			
2007	\$ -	\$ -	\$ -	0.0%	\$ -
2008	-	-	-	0.0%	-
2009	-	-	-	0.0%	-
2010	-	-	-	0.0%	-
2011	-	-	-	0.0%	-
2012	-	-	-	0.0%	-
2013	-	-	-	0.0%	-
2014	-	-	-	0.0%	-
2015	-	-	-	0.0%	-
2016	-	-	-	0.0%	-

Data Source

Township Financial Statements

Hanover Township
Direct and Overlapping Governmental Activities Debt
For the Year Ended March 31, 2016

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage of Debt Applicable to Hanover Township</u>	<u>Estimated Share of Overlapping Debt</u>
Hanover Township	\$ -	100.00%	\$ -
Overlapping debt (1)			
Cook County	2,826,300,000	0.57%	16,109,910
Cook County Forest Preserve District	108,665,000	0.57%	619,391
Metropolitan Water Reclamation District	1,959,099,576	0.58%	11,362,778
Bartlett Park District	14,720,000	0.08%	11,776
Schaumburg Park District	36,155,000	0.59%	213,315
Hanover Park District	754,300	6.94%	52,348
Streamwood Park District	8,710,000	100.00%	8,710,000
Schaumburg Township District Public Library	4,460,000	0.47%	20,962
Poplar Creek Public Library District	18,915,000	73.00%	13,807,950
Gail Borden Public Library District	24,250,000	10.42%	2,526,850
Palatine Township High School #211	33,615,000	0.29%	97,484
Elgin Community College #509	96,432,414	6.83%	6,586,334
School District #46	326,383,888	15.08%	49,218,690
School District #54	17,230,000	0.46%	79,258
Subtotal	<u>5,475,690,178</u>		<u>109,417,045</u>
Total	<u>\$ 5,475,690,178</u>		<u>\$ 109,417,045</u>

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Hanover Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hanover Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village's boundaries and dividing it by each unit's total taxable assessed value.

Data Source

Village of Streamwood

**Hanover Township
Legal Debt Margin Information
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Value	\$ 1,997,584,086	\$ 2,120,188,975	\$ 2,500,789,640	\$ 2,655,449,288	\$ 2,750,659,751	\$ 2,527,513,700	\$ 2,265,103,457	\$ 1,750,808,883	\$ 1,773,089,762	\$ 1,716,991,145
Debt limit	57,430,542	71,897,702	71,897,702	76,344,167	79,081,468	72,666,019	65,121,724	50,335,755	50,976,331	49,363,495
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 57,430,542</u>	<u>\$ 60,955,433</u>	<u>\$ 71,897,702</u>	<u>\$ 76,344,167</u>	<u>\$ 79,081,468</u>	<u>\$ 72,666,019</u>	<u>\$ 65,121,724</u>	<u>\$ 50,335,755</u>	<u>\$ 50,976,331</u>	<u>\$ 49,363,495</u>
Total Net Debt Applicable To the Limit as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The legal debt limit is defined as 2.875% of equalized valuation.

Data Source

Township Financial Statements

**Hanover Township
Demographic and Economic Information
Last Ten Calendar Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	90,885	2,435,172,690	26,794	5.90%
2007	96,390	2,529,851,940	26,246	4.70%
2008	91,881	2,705,527,926	29,446	8.00%
2009	86,788	2,358,550,688	27,176	8.50%
2010	99,538	2,778,205,118	27,911	9.10%
2011	99,971	2,957,342,122	29,582	10.30%
2012	99,538	2,687,326,924	26,998	9.30%
2013	100,603	2,962,154,732	29,444	6.70%
2014	100,878	2,984,374,752	29,584	6.60%
2015	101,093	2,867,705,131	28,367	5.80%

Data Source

Population and per capita information provided by the U.S. Census Bureau and American Community Survey

**Hanover Township
Principal Employers
Current Year and Ten Years Ago**

Employer	Business/Service	2015			2006		
		Rank	Approximate Employment	% of Township Population	Rank	Approximate Employment	% of Township Population
Fresh Express	Food Processing	1	700	3.14%			
Super Target	Retailer	2	310	1.39%			
Wal-Mart Stores, Inc.	Retailer	3	275	1.23%	1	280	1.41%
Ace Coffee Service	Food Processing	4	250	1.12%			
Streamwood Behavioral	Medical	5	235	1.05%			
Streamwood High School	Education	6	220	0.99%	6	200	1.01%
Sam's Club	Wholesaler	7	220	0.99%	2	250	1.26%
Village of Streamwood	Government	8	186	0.83%	5	225	1.14%
Lexington Health Care	Nursing Home	9	160	0.72%			
AWANA Clubs	Publishing	10	150	0.67%	7	120	0.61%
Total			2,706	12.13%		1,075	5.43%

N/A - Information not available

Data Source

Assessor's Office and Village of Streamwood

**Hanover Township
Full-Time Equivalent Employees
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Administrative services	N/A	N/A	N/A	N/A	5.10	5.20	4.20	5.50	5.50	5.50
Assessor's office	N/A	N/A	N/A	N/A	2.60	2.60	2.60	2.75	2.75	2.75
Clerk's office	N/A	N/A	N/A	N/A	2.00	2.00	1.50	0.00	0.00	0.00
Community health	N/A	N/A	N/A	N/A	0.90	3.40	3.40	3.50	3.50	3.50
Emergency services	N/A	N/A	N/A	N/A	0.80	0.80	0.80	0.80	0.80	0.80
Facilities and maintenance	N/A	N/A	N/A	N/A	5.00	5.00	5.00	6.00	5.00	5.00
Highway department	N/A	N/A	N/A	N/A	3.00	3.00	3.00	3.00	3.00	3.00
Mental health board	N/A	N/A	N/A	N/A	1.50	1.00	1.00	1.00	1.00	1.00
Senior services	N/A	N/A	N/A	N/A	17.37	18.37	17.90	21.15	21.15	22.65
Community and veterans affairs	N/A	N/A	N/A	N/A	0.25	0.25	2.48	2.25	2.60	2.60
Welfare services	N/A	N/A	N/A	N/A	4.88	4.88	4.75	7.25	3.50	3.50
Youth and family services	N/A	N/A	N/A	N/A	16.05	17.05	16.40	18.90	18.20	18.20
Total	-	-	-	-	61.45	63.55	63.03	72.10	67.00	68.50

N/A - Information not available - ten years will be provided prospectively

Data Source

Township budget

**Hanover Township
Operating Indicators
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessors Office										
Administration										
Office Visits	N/A	N/A	N/A	N/A	5477	5523	4158	4485	4380	4708
Building Permits Processed	N/A	N/A	N/A	N/A	10678	3703	4144	4316	4525	5418
Sales Recording	N/A	N/A	N/A	N/A	860	1124	1457	1551	977	672
Change of Name	N/A	N/A	N/A	N/A	1744	633	153	158	148	177
Property Tax Appeals	N/A	N/A	N/A	N/A	883	1208	831	1227	814	983
Certificate of Errors	N/A	N/A	N/A	N/A	1054	984	680	400	501	779
Property Location Updates	N/A	N/A	N/A	N/A	12	357	388	12	23	18
New Owner Mailings	N/A	N/A	N/A	N/A	796	934	813	985	692	648
Long Time Occupants	N/A	N/A	N/A	N/A	300	153	28	7	0	0
Exemptions										
Home Owner Exemptions	N/A	N/A	N/A	N/A	196	138	83	87	88	272
Senior Home Owner Exemptions	N/A	N/A	N/A	N/A	297	564	452	445	534	869
Senior Freeze Exemptions	N/A	N/A	N/A	N/A	903	923	981	711	739	896
Miscellaneous Exemptions	N/A	N/A	N/A	N/A	208	318	229	242	234	335
Foreclosures	N/A	N/A	N/A	N/A	N/A	463	657	642	329	176
Town Office										
Passports	N/A	N/A	N/A	N/A	1778	1685	1964	2265	2648	4099
Photo Fees	N/A	N/A	N/A	N/A	8240	5730	6780	6780	9611	15105
Total Passport Fees	N/A	N/A	N/A	N/A	39585	49068	56258	54099	59800	83800
Cook County Vehicle Stickers	N/A	N/A	N/A	N/A	222	194	212	247	414	259
Fishing/Hunting Licenses	N/A	N/A	N/A	N/A	355	138	138	108	91	69

(Continued)

**Hanover Township
Operating Indicators (Continued)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government (Continued)										
Town Office (Continued)										
Handicap Placards	N/A	N/A	N/A	N/A	494	287	233	177	181	206
Community Health										
Appointments										
Pro Times	N/A	N/A	N/A	N/A	N/A	297	317	263	280	275
TB Skin Test	N/A	N/A	N/A	N/A	N/A	129	97	87	85	88
Cholesterol	N/A	N/A	N/A	N/A	N/A	145	185	85	132	87
Other	N/A	N/A	N/A	N/A	N/A	764	555	943	444	418
Total (Unduplicated)	N/A	N/A	N/A	N/A	N/A	1335	1154	1378	1270	1377
Clinic Clients										
Senior Center	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1204	1089	1188
Izaak Walton Center - Elgin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66	81	48
Astor Avenue	N/A	N/A	N/A	N/A	N/A	198	198	163	138	158
Offsite Visits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	143	183	160
Total (Unduplicated)	N/A	N/A	N/A	N/A	N/A	321	321	1576	1491	1554
Public Education and Health Promotion										
Media Coverage	N/A	N/A	N/A	N/A	N/A	N/A	39	58	58	52
Informational Seminars	N/A	N/A	N/A	N/A	N/A	N/A	18	132	124	75
Program Participants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1386	1920	1635
Primary Care Provider Support	N/A	N/A	N/A	N/A	N/A	N/A	181	190	146	107
Phone Triage	N/A	N/A	N/A	N/A	N/A	N/A	7086	4675	5005	4845
Embracelet Program	N/A	N/A	N/A	N/A	N/A	N/A	80	34	26	0

(Continued)

**Hanover Township
Operating Indicators (Continued)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government (Continued)										
Youth and Family Services										
Outreach & Prevention										
Open Gym Participants	N/A	N/A	N/A	N/A	8132	9517	12772	12519	13344	14188
Open Gym Participants (Unduplicated)	N/A	N/A	N/A	N/A	1284	1349	1054	1150	1167	1044
Alternative to Suspension Referrals	N/A	N/A	N/A	N/A	9	249	128	145	92	89
Alternative to Suspension (Unduplicated)	N/A	N/A	N/A	N/A	0	78	106	147	150	152
Clinical										
Therapy Clients (Total Attended)	N/A	N/A	N/A	N/A	3745	3403	3723	3031	3316	3921
Therapy Clients (New Clients)	N/A	N/A	N/A	N/A	289	393	688	443	1499	1659
Total Families	N/A	N/A	N/A	N/A	668	694	750	N/A	N/A	N/A
New Families	N/A	N/A	N/A	N/A	61	90	67	N/A	N/A	N/A
Clinical Hours	N/A	N/A	N/A	N/A	2386	2855	2981	3420	2903	2827
Group Session Participants	N/A	N/A	N/A	N/A	175	3440	5555	7097	5386	1947
Tutoring Participants										
Total	N/A	N/A	N/A	N/A	1171	1065	1281	1622	1764	1943
Unduplicated	N/A	N/A	N/A	N/A	555	232	241	235	245	274
General Assistance										
General Assistance Clients	N/A	N/A	N/A	N/A	N/A	202	258	255	272	279
General Assistance Appointments	N/A	N/A	N/A	N/A	N/A	530	638	654	567	590
Emergency Assistance Appointments	N/A	N/A	N/A	N/A	N/A	197	328	311	276	214
LIHEAP Applications										
Office	N/A	N/A	N/A	N/A	N/A	703	883	1090	764	411
Social Services										
ComEd Hardships	N/A	N/A	N/A	N/A	N/A	22	94	86	40	39
Weatherization	N/A	N/A	N/A	N/A	N/A	40	20	3	17	4
Food pantry										
Served (Households)	N/A	N/A	N/A	N/A	N/A	9906	10896	109251	9837	9407
New Applications	N/A	N/A	N/A	N/A	N/A	1206	1461	1109	601	473
Food Donations	N/A	N/A	N/A	N/A	N/A	684	679	760	732	737
Community Center Walk-Ins	N/A	N/A	N/A	N/A	N/A	4415	4448	4216	2782	2366
Mental Health										
Grant Funding										
New Clients	N/A	N/A	N/A	N/A	3112	3020	3566	4222	3817	2788
Prevention Programming Presentations	N/A	N/A	N/A	N/A	N/A	270	204	386	301	353

(Continued)

**Hanover Township
Operating Indicators (Continued)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
TIDE										
Participants	N/A	N/A	N/A	N/A	12	12	8	7	8	12
Organizations Providing Services	N/A	N/A	N/A	N/A	7	7	5	5	5	1128
Clients Served	N/A	N/A	N/A	N/A	985	713	703	576	949	1034

**Hanover Township
Operating Indicators (Continued)
Last Ten Fiscal Years**

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government (Continued)										
Community Health (Continued)										
Road & Bridge										
Salt (Tons)	N/A	N/A	N/A	N/A	977	521	943	1780	838	571
Senior Services										
Programming Division										
Planned Programs	N/A	N/A	N/A	N/A	N/A	1469	1981	2240	2459	2483
Participants	N/A	N/A	N/A	N/A	N/A	19673	21472	20477	28606	26225
Wait Listed (Unduplicated)	N/A	N/A	N/A	N/A	N/A	949	796	784	546	597
Art & Computer Classes	N/A	N/A	N/A	N/A	N/A	608	562	509	698	771
Art & Computer Class Participants	N/A	N/A	N/A	N/A	N/A	5209	4582	3764	4770	5044
New Volunteers	N/A	N/A	N/A	N/A	N/A	57	78	71	103	60
Total Volunteers	N/A	N/A	N/A	N/A	N/A	262	241	271	307	409
Total Volunteer Hours	N/A	N/A	N/A	N/A	N/A	19845	18607	18764	21903	21864
Meals Delivered by Volunteers	N/A	N/A	N/A	N/A	N/A	13191	10898	9928	10946	11859
Social Services Division										
Clients Served (Unduplicated)	N/A	N/A	N/A	N/A	N/A	1056	1158	1156	1267	1364
Energy Assistance	N/A	N/A	N/A	N/A	N/A	417	538	560	4595	4334
Prescription Drug & Health Insurance Assistance	N/A	N/A	N/A	N/A	N/A	2151	1546	1041	591	481
Public Aid	N/A	N/A	N/A	N/A	N/A	240	177	N/A	1065	1122
Social Service Programs	N/A	N/A	N/A	N/A	N/A	112	114	127	113	131
Social Service Program Participants	N/A	N/A	N/A	N/A	N/A	1424	1118	1282	950	1093
Lending Closet Transactions	N/A	N/A	N/A	N/A	N/A	720	736	937	1006	1224
Transportation Division										
One Way Rides Given	N/A	N/A	N/A	N/A	N/A	18701	20502	19764	21273	19291
Individuals Served (Unduplicated)	N/A	N/A	N/A	N/A	N/A	710	847	740	731	826
New Riders	N/A	N/A	N/A	N/A	N/A	227	202	229	298	592
Unmet Requests for Rides	N/A	N/A	N/A	N/A	N/A	189	309	439	290	377

N/A - Information not available - ten years will be provided prospectively

Data Source

Various Township departments

**Hanover Township
Capital Asset Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Building facilities maintained	6.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0	9.0	9.0

Data Source

Township records