

HANOVER TOWNSHIP
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010



CONTENTS

| | <u>Page</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 2 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements | |
| Statement of Net Assets | 6 |
| Statement of Activities | 7 |
| Fund Financial Statements | |
| Governmental Funds Balance Sheet | 8 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 9 |
| Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances | 10 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | 11 |
| Notes to Financial Statements | 12 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Funding Progress – Illinois Municipal Retirement Fund | 19 |
| Schedule of Revenues and Expenditures – Estimated Receipts and Appropriations Compared to Actual | |
| Town Fund | 20 |
| Senior Services Fund | 21 |
| Road and Bridge Fund | 22 |
| Mental Health Fund | 23 |
| ADDITIONAL INFORMATION | |
| Statement of Expenditures – Budget and Actual | |
| Town Fund | 24 |
| Senior Services Fund | 28 |
| Road and Bridge Fund | 29 |
| Mental Health Fund | 30 |
| Other Funds – Combining Governmental Funds Balance Sheet | 32 |
| Other Funds – Combining Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances | 33 |



INDEPENDENT AUDITOR'S REPORT

Hanover Township Board
Hanover Township
Bartlett, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Hanover Township as of and for the year ended March 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Hanover Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregate remaining fund information of Hanover Township as of March 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 5 and the required supplementary information on pages 19 through 23 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying financial information listed as Additional Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

McClure, Inserra & Co., Chartered

January 24, 2011

HANOVER TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED MARCH 31, 2010

As the Hanover Township (Township) Board, 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, 2010. 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 \$17,478,767 and \$16,104,300 as of March 31, 2010 and 2009, respectively. The Township's net assets increased by \$97,453 and \$306,014 for the years ended March 31, 2010 and 2009, respectively.

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 assets presents financial information on all of Hanover Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets 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 governmental activities of Hanover Township include general government, services for youth and family, seniors, general assistance and 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 seven funds and one component unit (road and bridge).

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 assets 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 \$17,478,767 and \$16,104,300 for the years ended March 31, 2010 and 2009, respectively. A portion of the Township’s net assets reflects its investment in capital assets, \$5,811,094. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net asset balance of \$11,667,673 is unrestricted.

Condensed Statement of Net Assets

| | <u>March 31, 2010</u> | <u>March 31, 2009</u> |
|---|--------------------------|--------------------------|
| Current and Other Assets | \$ 12,058,296 | \$ 12,006,695 |
| Capital Assets, net of accumulated depreciation | <u>5,811,094</u> | <u>5,845,010</u> |
| Total Assets | <u>17,869,390</u> | <u>17,851,705</u> |
| Current Liabilities | 267,906 | 321,640 |
| Non-Current Liabilities | <u>122,717</u> | <u>1,425,765</u> |
| Total Liabilities | <u>390,623</u> | <u>1,747,405</u> |
| Net Assets | | |
| Invested in Capital Assets | 5,811,094 | 5,845,010 |
| Unrestricted | <u>11,667,673</u> | <u>10,259,290</u> |
| Total Net Assets | <u>\$ 17,478,767</u> | <u>\$ 16,104,300</u> |

Condensed Statement of Activities

| | For Years Ended, | |
|---|------------------|----------------|
| | March 31, 2010 | March 31, 2009 |
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ 185,414 | \$ 217,601 |
| Operating Grants and Contributions | 32,833 | 82,498 |
| General Revenues | | |
| Property Taxes | 5,668,325 | 6,528,943 |
| State Replacement Taxes | 60,000 | 65,883 |
| Interest Income | 23,864 | 100,918 |
| Other | 81,061 | 75,051 |
| Total Revenues | 6,051,497 | 7,070,894 |
| Expenses | | |
| Program Expenses | | |
| Administration | 2,379,742 | 2,482,355 |
| Youth Commission | 659,001 | 651,757 |
| Senior Center | 1,067,531 | 981,120 |
| Road & Bridge | 378,654 | 498,111 |
| Mental Health | 847,923 | 778,819 |
| Home Relief | 112,569 | 189,946 |
| Compensated Absences | 25,719 | 18,338 |
| Unfunded Pension Liability | - | 728,084 |
| Capital Outlay | 89,289 | 51,178 |
| Depreciation | 393,616 | 385,172 |
| Total Expenses | 5,954,044 | 6,764,880 |
| Change in Net Assets | 97,453 | 306,014 |
| Net Assets | | |
| Beginning of Year, as originally stated | 16,104,300 | 16,347,216 |
| Prior Period Adjustment | 1,277,014 | (548,930) |
| Beginning of Year, as restated | 17,381,314 | 15,798,286 |
| End of Year | \$ 17,478,767 | \$ 16,104,300 |

The following is a summary of changes in fund balances for the year ended March 31, 2010:

| Governmental Funds | Fund Balance March 31, 2009 | Increase (Decrease) | Fund Balance March 31, 2010 |
|---------------------|--------------------------------|------------------------|--------------------------------|
| Town | \$ 1,751,781 | \$ 367,969 | \$ 2,119,750 |
| Senior Services | 843,835 | 292,960 | 1,136,795 |
| Road and Bridge | 2,975,450 | (260,817) | 2,714,633 |
| Mental Health | 964,621 | 130,456 | 1,095,077 |
| Capital Projects | 166,398 | 179,998 | 346,396 |
| General Assistance | 410,445 | 26,358 | 436,803 |
| Retirement | 110,886 | 47,707 | 158,593 |
| Vehicle Replacement | 289,689 | 159,573 | 449,262 |
| | \$ 7,513,105 | \$ 944,204 | \$ 8,457,309 |

During the year \$443,046 was transferred from the Town Fund, \$433,208 was transferred from the Road and Bridge Fund, \$283,208 was transferred to the Senior Services Fund, \$215,500 was transferred to the Vehicle Replacement Fund, \$199,678 was transferred to the Capital Projects Fund and \$177,868 was transferred to the Retirement Fund.

Budgetary Highlights

Expenditures in the General Town Fund of \$2,504,530 were under revenues by \$811,015 and were \$283,581 less than the appropriation of \$2,788,111.

Capital Assets

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

| | <u>March 31, 2010</u> | <u>March 31, 2009</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| Land | \$ 633,541 | \$ 633,541 |
| Buildings | 4,755,298 | 4,755,298 |
| Building Improvements | 508,720 | 508,720 |
| Office Furniture & Equipment | 666,432 | 653,337 |
| Trucks & Equipment | 625,393 | 455,102 |
| Buses | 489,669 | 489,669 |
| Infrastructure | <u>601,399</u> | <u>430,085</u> |
| Cost of Capital Assets | 8,280,452 | 7,925,752 |
| Less Accumulated Depreciation | <u>2,469,358</u> | <u>2,080,742</u> |
| Net Capital Assets | <u><u>\$ 5,811,094</u></u> | <u><u>\$ 5,845,010</u></u> |

Description of Current or 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.

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 60103-1648.

BASIC FINANCIAL STATEMENTS

HANOVER TOWNSHIP
STATEMENT OF NET ASSETS
MARCH 31, 2010

| | GOVERNMENTAL ACTIVITIES |
|---|----------------------------|
| ASSETS | |
| Cash and Cash Investments | \$ 8,594,192 |
| Property Tax Receivables, net | 3,434,419 |
| Other Assets | 29,685 |
| Capital Assets, Net of Accumulated Depreciation | 5,811,094 |
| Total Assets | 17,869,390 |
| LIABILITIES | |
| Accounts Payable | 65,064 |
| Payroll Liabilities | 7,665 |
| Accrued Wages | 93,839 |
| Compensated Absences | |
| Due within one year | 101,338 |
| Due after one year | 122,717 |
| Total Liabilities | 390,623 |
| NET ASSETS | |
| Invested in Capital Assets | 5,811,094 |
| Unrestricted | 11,667,673 |
| Total Net Assets | \$ 17,478,767 |

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2010

| FUNCTIONS / PROGRAMS | EXPENSES | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS |
|--------------------------------------|---------------------|----------------------------|--|--|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES |
| GOVERNMENTAL ACTIVITIES | | | | |
| Administration | \$ 2,379,742 | \$ 66,447 | \$ 224 | \$ (2,313,071) |
| Youth Commission | 659,001 | 13,829 | - | (645,172) |
| Senior Center | 1,067,531 | 95,270 | 22,506 | (949,755) |
| Road and Bridge | 378,654 | 2,915 | - | (375,739) |
| Mental Health | 847,923 | - | - | (847,923) |
| Home Relief | 112,569 | - | 10,103 | (102,466) |
| Compensated Absences | 25,719 | - | - | (25,719) |
| Capital Outlay | 89,289 | 6,953 | - | (82,336) |
| Depreciation | 393,616 | - | - | (393,616) |
| Total Governmental Activities | \$ 5,954,044 | \$ 185,414 | \$ 32,833 | \$ (5,735,797) |

GENERAL REVENUES

| | |
|---|------------------|
| Taxes | |
| Property Taxes, Levied for General Purposes | 5,668,325 |
| State Replacement Taxes | 60,000 |
| Interest Income | 23,864 |
| Rental and Other | 81,061 |
| Total General Revenues | 5,833,250 |
| Change in Net Assets | 97,453 |

NET ASSETS

| | |
|---|---------------|
| Beginning of Year, as originally stated | 16,104,300 |
| Prior Period Adjustment (Note 7) | 1,277,014 |
| Beginning of Year, as restated | 17,381,314 |
| End of Year | \$ 17,478,767 |

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

GOVERNMENTAL FUNDS BALANCE SHEET

MARCH 31, 2010

| | TOWN FUND | SENIOR SERVICES FUND | ROAD AND BRIDGE FUND | MENTAL HEALTH FUND | OTHER FUNDS | TOTAL GOVERNMENTAL FUNDS |
|-------------------------------------|---------------------|----------------------------|----------------------------|--------------------------|---------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and Cash Investments | \$ 2,210,938 | \$ 1,165,217 | \$ 2,716,444 | \$ 1,103,194 | \$ 1,398,399 | \$ 8,594,192 |
| Property Tax Receivables, net | 1,681,522 | 502,855 | 418,467 | 508,858 | 322,717 | 3,434,419 |
| Other Assets | 10,562 | - | 4,300 | - | 14,823 | 29,685 |
| Total Assets | <u>\$ 3,903,022</u> | <u>\$ 1,668,072</u> | <u>\$ 3,139,211</u> | <u>\$ 1,612,052</u> | <u>\$ 1,735,939</u> | <u>\$ 12,058,296</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 44,991 | \$ 8,238 | \$ 2,339 | \$ 5,734 | \$ 3,762 | \$ 65,064 |
| Payroll Liabilities | 7,665 | - | - | - | - | 7,665 |
| Accrued Wages | 49,094 | 20,184 | 3,772 | 2,383 | 18,406 | 93,839 |
| Deferred Revenues | 1,681,522 | 502,855 | 418,467 | 508,858 | 322,717 | 3,434,419 |
| Total Liabilities | <u>1,783,272</u> | <u>531,277</u> | <u>424,578</u> | <u>516,975</u> | <u>344,885</u> | <u>3,600,987</u> |
| FUND BALANCES | | | | | | |
| Unreserved, Reported in | | | | | | |
| General Fund | 2,119,750 | - | - | - | - | 2,119,750 |
| Capital Projects Fund | - | - | - | - | 795,658 | 795,658 |
| Special Revenue Funds | - | 1,136,795 | 2,714,633 | 1,095,077 | 595,396 | 5,541,901 |
| Total Fund Balances | <u>2,119,750</u> | <u>1,136,795</u> | <u>2,714,633</u> | <u>1,095,077</u> | <u>1,391,054</u> | <u>8,457,309</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,903,022</u> | <u>\$ 1,668,072</u> | <u>\$ 3,139,211</u> | <u>\$ 1,612,052</u> | <u>\$ 1,735,939</u> | <u>\$ 12,058,296</u> |

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

MARCH 31, 2010

| | |
|--|-----------------------------|
| Total Fund Balances - Governmental Funds Balance Sheet | \$ 8,457,309 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. | 5,811,094 |
| Deferred property tax revenues are financial resources in the statement of net assets. | 3,434,419 |
| Accrued compensated absences are recognized in the statement of net assets. | <u>(224,055)</u> |
| Net Assets of Governmental Activities - Statement of Net Assets | <u><u>\$ 17,478,767</u></u> |

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2010

| | TOWN FUND | SENIOR SERVICES FUND | ROAD AND BRIDGE FUND | MENTAL HEALTH FUND | OTHER FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|---------------------|----------------------------|----------------------------|--------------------------|---------------------|--------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 3,181,507 | \$ 951,985 | \$ 791,329 | \$ 928,738 | \$ 601,882 | \$ 6,455,441 |
| State Replacement Taxes | 19,409 | - | 22,332 | 14,251 | 4,008 | 60,000 |
| Interest Income | 2,892 | 1,497 | 15,373 | 1,695 | 2,407 | 23,864 |
| Therapy Fees | 25,117 | - | - | - | - | 25,117 |
| Bus Fees | - | - | - | - | 6,953 | 6,953 |
| Passport Fees | 36,590 | - | - | - | - | 36,590 |
| Grant Income | - | 18,158 | - | - | 10,103 | 28,261 |
| Rental Income | 10,000 | - | - | 11,700 | - | 21,700 |
| Donations | 224 | 4,348 | - | - | - | 4,572 |
| Permits and Fines | - | - | 2,915 | - | - | 2,915 |
| Program Income | 4,740 | 95,270 | - | - | - | 100,010 |
| Youth Commission | 13,829 | - | - | - | - | 13,829 |
| Miscellaneous | 21,237 | 6,025 | - | 21,995 | 10,104 | 59,361 |
| Total Revenues | <u>3,315,545</u> | <u>1,077,283</u> | <u>831,949</u> | <u>978,379</u> | <u>635,457</u> | <u>6,838,613</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Administration | 1,761,198 | - | - | - | 618,544 | 2,379,742 |
| Youth Commission | 659,001 | - | - | - | - | 659,001 |
| Senior Center | - | 1,067,531 | - | - | - | 1,067,531 |
| Road and Bridge | - | - | 549,968 | - | - | 549,968 |
| Mental Health | - | - | - | 847,923 | - | 847,923 |
| Home Relief | - | - | - | - | 112,569 | 112,569 |
| Capital Outlay | 84,331 | - | 109,590 | - | 83,754 | 277,675 |
| Total Expenditures | <u>2,504,530</u> | <u>1,067,531</u> | <u>659,558</u> | <u>847,923</u> | <u>814,867</u> | <u>5,894,409</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 811,015 | 9,752 | 172,391 | 130,456 | (179,410) | 944,204 |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers-Net | (443,046) | 283,208 | (433,208) | - | 593,046 | - |
| Net Change in Fund Balances | 367,969 | 292,960 | (260,817) | 130,456 | 413,636 | 944,204 |
| FUND BALANCES | | | | | | |
| Beginning of Year | <u>1,751,781</u> | <u>843,835</u> | <u>2,975,450</u> | <u>964,621</u> | <u>977,418</u> | <u>7,513,105</u> |
| End of Year | <u>\$ 2,119,750</u> | <u>\$ 1,136,795</u> | <u>\$ 2,714,633</u> | <u>\$ 1,095,077</u> | <u>\$ 1,391,054</u> | <u>\$ 8,457,309</u> |

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

MARCH 31, 2010

Net Change in Fund Balances - Statement of Revenues, Expenditures,
and Changes in Fund Balances \$ 944,204

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures,
however, in the statement of activities, the cost of those assets
is allocated over their estimated useful lives as depreciation
expense. This is the amount by which capital outlays exceeded
depreciation expense in the current period.

| | |
|----------------------|-----------------|
| Capital outlay | 359,700 |
| Depreciation expense | (393,616) |
| Difference | <u>(33,916)</u> |

Compensated absences is recognized as an expense in the
statement of activities. (25,719)

Property tax revenues, deferred in the balance sheet, are recognized
in the statement of activities. (787,116)

Change in Net Assets of Governmental Activities - Statement of Activities \$ 97,453

The accompanying notes are an integral part of these financial statements.

HANOVER TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hanover Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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's reporting entity includes all entities for which the Township exercises oversight responsibility as defined by the Governmental Accounting Standards Board (GASB).

The Township has developed criteria to determine whether these legally separate organizations should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Township (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). In applying these criteria, the Township has included in its financial statements the activities of the Hanover Township Road and Bridge District. Although a legally separate entity, the Road and Bridge District shares the same Board of Trustees as the Township, and is therefore a component unit blended with the Township.

Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. They include all the governmental funds of the reporting entity. The governmental fund financial statements (i.e. the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance) are organized by fund. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the general (town) fund, senior services fund, road and bridge fund and mental health fund. Following is a description of major and non-major funds.

General (Town) Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - The Special Revenue Funds account for the proceeds of specific revenue sources, or to finance specified activities as required by law or administrative regulations. The Township special revenue funds and their purposes are as follows:

Senior Services Fund - Accounts for expenditures related to services and programs for seniors.

Road and Bridge Fund - Accounts for the operations of the Road District. It is used to account for all financial resources at the Road District and accounts for expenditures related to maintenance and improvement of Township Roads. The Road District levies a separate property tax.

Mental Health Fund - Accounts for revenues and expenditures needed for services and programs in the areas of mental health, developmental disabilities and alcohol and substance abuse.

General Assistance Fund - Accounts for expenditures to assist those in need.

Retirement Fund - Accounts for FICA and IMRF expenditures.

Capital Project Funds - The Capital Project Fund and the Vehicle Replacement Fund are used to account for financial resources used to fund capital projects.

Basis of Accounting

The government-wide statements (the Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are accounted for using a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The Township recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Township. Property taxes are recognized as revenue in the fiscal year when the property taxes are extended by Cook County and remitted to the Township. Accordingly, the uncollected property tax levy for the 2009 and 2008 tax years, are recognized as deferred property tax revenue in the accompanying balance sheet. Expenditures are recognized when the related obligations are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the Town, Senior Services, Road and Bridge and Mental Health Funds. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds is established by the amount of the total appropriation for the fund. Management control is exercised at appropriation line item levels.

Cash and Cash Investments

Cash and cash investments include amounts in demand deposits (checking, savings and money market accounts) and time deposits (certificate of deposit with a maturity date of twelve months).

Illinois Revised Statutes authorize the Township to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ICLS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks, which are insured by the Federal Deposit Insurance Corporation.

Cash investments are stated at cost, which approximates market.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-----------------------|--------------|
| Buildings | 30 years |
| Building Improvements | 5 - 20 years |
| Infrastructure | 7 - 20 years |
| Vehicles | 7 - 20 years |
| Furniture & Equipment | 5 - 10 years |

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

In the event of termination, Township employees are reimbursed for accumulated unused vacation time, personal time, floating holidays and one-half of sick time. These expenses are accrued in the Statement of Net Assets and Statement of Activities with accrued sick time reported as due after one year.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits. At year-end, the carrying amount of the Township's deposits, excluding petty cash of \$200, was \$8,593,992 and the bank balance was \$8,799,510. Of the bank balance, \$1,250,000 was covered by federal depository insurance, \$7,495,193 was collateralized with securities held by the pledging financial institution's agent in the Township's name, and \$54,317 was uncollateralized.

NOTE 3 - PROPERTY TAXES

The Township passed the Tax Levy Ordinances for the Township and for the Road District on December 1, 2009. Property Taxes for 2009 attached as an enforceable lien on property as of January 1, 2009. Taxes are payable in two installments on or around March 1 and October 1. As such, significant tax monies are received between March and December. The County of Cook collects such taxes and remits them periodically.

The current property tax levy is recorded as a receivable, net of estimated uncollectibles approximating .5%. Property tax revenue is recognized to the extent of taxes due and collected within the current year. The resulting net tax levy receivable is recorded on the balance sheet along with a corresponding amount of deferred revenue. Deferred revenue represents the remaining portion of the 2008 and 2009 levy. All uncollected taxes receivable relating to prior years' levies have been written off. In the statement of net assets and the statement of activities, deferred revenues are eliminated and recorded as property tax revenue.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year.

NOTE 4 - CAPITAL ASSETS (Continued)

| | Balance March 31, 2009 | Additions | Retirements | Balance March 31, 2010 |
|---|---------------------------|-------------|-------------|---------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 633,541 | \$ - | \$ - | \$ 633,541 |
| Total Capital assets, not being depreciated | 633,541 | - | - | 633,541 |
| Capital assets, being depreciated | | | | |
| Buildings | 4,755,298 | - | - | 4,755,298 |
| Building Improvements | 508,720 | - | - | 508,720 |
| Office Furniture & Equipment | 653,337 | 18,095 | (5,000) | 666,432 |
| Trucks & Equipment | 455,102 | 170,291 | - | 625,393 |
| Buses | 489,669 | - | - | 489,669 |
| Infrastructure | 430,085 | 171,314 | - | 601,399 |
| Total capital assets being depreciated | 7,292,211 | 359,700 | (5,000) | 7,646,911 |
| Less accumulated depreciation for | | | | |
| Buildings | (820,165) | (158,510) | - | (978,675) |
| Building Improvements | (179,046) | (49,644) | - | (228,690) |
| Office Furniture & Equipment | (401,426) | (64,195) | 5,000 | (460,621) |
| Trucks & Equipment | (329,649) | (41,849) | - | (371,498) |
| Buses | (283,524) | (33,965) | - | (317,489) |
| Infrastructure | (66,932) | (45,453) | - | (112,385) |
| Total accumulated depreciation | (2,080,742) | (393,616) | 5,000 | (2,469,358) |
| Total capital assets being depreciated, net | 5,211,469 | (33,916) | - | 5,177,553 |
| Capital assets, net | \$ 5,845,010 | \$ (33,916) | \$ - | \$ 5,811,094 |

NOTE 5 - DEFINED BENEFIT PENSION PLAN

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Township's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 10.44% of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For fiscal year ending March 31, 2010, the Township's annual pension cost of \$257,520 for the Regular plan was equal to the Township's required and actual contributions.

NOTE 5 - DEFINED BENEFIT PENSION PLAN (Continued)

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|------------------------------|-------------------------------------|---------------------------|
| 3/31/10 | \$ 257,520 | 100% | \$0 |
| 3/31/09 | 259,950 | 100% | 0 |
| 3/31/08 | 207,287 | 100% | 0 |

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Township's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Township Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 60.69% funded. The actuarial accrued liability for benefits was \$2,791,697 and the actuarial value of assets was \$1,694,343, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,097,354. The covered payroll (annual payroll of active employees covered by the plan) was \$2,435,120 and the ratio of the UAAL to the covered payroll was 45.06%. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 6 – 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; and natural disasters for which the Township carries commercial insurance.

NOTE 7 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$1,277,014 was made to beginning net assets in the government wide financial statements to remove an unfunded pension liability previously recorded in error.

NOTE 8 – LONG-TERM LIABILITIES

Long term liabilities consist of accrued compensated absences. Activity for the year is as follows:

| | |
|------------------------------|-------------------|
| Beginning balance | \$ 198,336 |
| Current year expense accrual | <u>25,719</u> |
| Ending balance | <u>\$ 224,055</u> |
| Amount due within one year | <u>\$ 101,338</u> |

Payments of compensated absences are recorded as salary expense in each of the Township's major funds.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

The Township is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The retiree pays the entire health insurance premium and therefore there is no explicit subsidy. The Township participates in a Blue Cross Blue Shield health insurance plan and as such, it is the Township's opinion that there is little or no implicit subsidy as defined by Governmental Accounting Standards Board (GASB) Statement No. 45.

NOTE 10 – NOT FOR PROFIT ORGANIZATION

In 1996 the Hanover Township Foundation was established to provide residents of the Township a way in which they may donate, on a tax free basis, to the programs and services offered by the Township. The Foundation is a qualified tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any monetary contributions made to the Township by the Foundation are included in the activities of the Township. Non-monetary contributions are accounted for by the Foundation.

NOTE 11 – CONTINGENCIES

The Township is involved in a criminal court case against a former employee for misappropriation of assets. The ultimate outcome of this action is unknown at this time. The Township also has filed a claim with its insurance company seeking reimbursement of funds.

NOTE 12 – 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 all management, payment and accounting for the projects are done through Cook County. These funds are not reflected in the financial statements of the Township.

HANOVER TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

MARCH 31, 2010

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability(AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|-----------------------------|---|
| 12/31/09 | \$ 1,694,343 | \$ 2,791,697 | \$ 1,097,354 | 60.69% | \$2,435,120 | 45.06% |
| 12/31/08 | 1,309,058 | 2,586,072 | 1,277,014 | 50.62% | 2,372,847 | 53.82% |
| 12/31/07 | 2,030,203 | 2,579,133 | 548,930 | 78.72% | 1,982,402 | 27.69% |

On a market value basis, the actuarial value of assets as December 31, 2009 is \$1,617,371. On a market basis, the funded ratio would be 57.94%.

HANOVER TOWNSHIP

TOWN FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | APPROPRIATION | | ACTUAL | VARIANCE |
|--|-------------------|-------------------|-------------------|-------------------|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 3,050,567 | \$ 3,050,567 | \$ 3,181,507 | \$ 130,940 |
| State Replacement Taxes | 24,710 | 24,710 | 19,409 | (5,301) |
| Interest Income | 33,488 | 33,488 | 2,892 | (30,596) |
| Therapy Fees | 21,632 | 21,632 | 25,117 | 3,485 |
| Passport Fees | 50,000 | 50,000 | 36,590 | (13,410) |
| Rental Income | 12,500 | 12,500 | 10,000 | (2,500) |
| Donations | 1,520 | 1,520 | 224 | (1,296) |
| Program Income | 1,040 | 1,040 | 4,740 | 3,700 |
| Youth Commission | 26,000 | 26,000 | 13,829 | (12,171) |
| Miscellaneous | 9,700 | 9,700 | 21,237 | 11,537 |
| Total Revenues | 3,231,157 | 3,231,157 | 3,315,545 | 84,388 |
| EXPENDITURES | | | | |
| Current | | | | |
| Administration | 1,954,855 | 1,954,855 | 1,761,198 | 193,657 |
| Youth Commission | 732,470 | 732,470 | 659,001 | 73,469 |
| Capital Outlay | 100,786 | 100,786 | 84,331 | 16,455 |
| Total Expenditures | 2,788,111 | 2,788,111 | 2,504,530 | 283,581 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 443,046 | \$ 443,046 | \$ 811,015 | \$ 367,969 |

HANOVER TOWNSHIP

SENIOR SERVICES FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | APPROPRIATION | | ACTUAL | VARIANCE |
|--|---------------------|---------------------|------------------|-------------------|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 912,768 | \$ 912,768 | \$ 951,985 | \$ 39,217 |
| Interest Income | 5,668 | 5,668 | 1,497 | (4,171) |
| Grant Income | 20,231 | 20,231 | 18,158 | (2,073) |
| Donations | 5,199 | 5,199 | 4,348 | (851) |
| Program Income | 65,810 | 65,810 | 95,270 | 29,460 |
| Miscellaneous | 1,456 | 1,456 | 6,025 | 4,569 |
| Total Revenues | 1,011,132 | 1,011,132 | 1,077,283 | 66,151 |
| EXPENDITURES | | | | |
| Current | | | | |
| Senior Center | 1,294,340 | 1,294,340 | 1,067,531 | 226,809 |
| Total Expenditures | 1,294,340 | 1,294,340 | 1,067,531 | 226,809 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (283,208) | \$ (283,208) | \$ 9,752 | \$ 292,960 |

ADDITIONAL INFORMATION

HANOVER TOWNSHIP

ROAD AND BRIDGE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | APPROPRIATION | | ACTUAL | VARIANCE |
|--|-----------------------|-----------------------|-------------------|---------------------|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 767,106 | \$ 767,106 | \$ 791,329 | \$ 24,223 |
| State Replacement Taxes | 16,136 | 16,136 | 22,332 | 6,196 |
| Interest Income | 25,000 | 25,000 | 15,373 | (9,627) |
| Permits and Fines | 2,610 | 2,610 | 2,915 | 305 |
| Total Revenues | 810,852 | 810,852 | 831,949 | 21,097 |
| EXPENDITURES | | | | |
| Current | | | | |
| Road and Bridge | 1,075,848 | 1,075,848 | 549,968 | 525,880 |
| Capital Outlay | 2,141,340 | 2,141,340 | 109,590 | 2,031,750 |
| Total Expenditures | 3,217,188 | 3,217,188 | 659,558 | 2,557,630 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (2,406,336) | \$ (2,406,336) | \$ 172,391 | \$ 2,578,727 |

HANOVER TOWNSHIP

MENTAL HEALTH FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | APPROPRIATION | | ACTUAL | VARIANCE |
|--|---------------------|---------------------|-------------------|-------------------|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 880,741 | \$ 880,741 | \$ 928,738 | \$ 47,997 |
| State Replacement Taxes | 15,000 | 15,000 | 14,251 | (749) |
| Interest Income | 10,000 | 10,000 | 1,695 | (8,305) |
| Rental Income | 12,600 | 12,600 | 11,700 | (900) |
| Miscellaneous | 23,800 | 23,800 | 21,995 | (1,805) |
| Total Revenues | 942,141 | 942,141 | 978,379 | 36,238 |
| EXPENDITURES | | | | |
| Current | | | | |
| Mental Health | 1,134,205 | 1,134,205 | 847,923 | 286,282 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 1,134,205 | 1,134,205 | 847,923 | 286,282 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (192,064) | \$ (192,064) | \$ 130,456 | \$ 322,520 |

HANOVER TOWNSHIP

TOWN FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | APPROPRIATION | ACTUAL | VARIANCE |
|---|----------------|----------------|-----------------|
| Compensation of Officials | \$ 98,802 | \$ 102,602 | (3,800) |
| Town Hall Administration | | | |
| Postage | 2,520 | 2,107 | 413 |
| Office Supplies | 6,235 | 5,496 | 739 |
| Printing and Publishing | 2,080 | 3,853 | (1,773) |
| Salaries | 210,163 | 192,114 | 18,049 |
| Travel | 4,285 | 3,600 | 685 |
| Memberships, Subscriptions and Publications | 8,456 | 8,614 | (158) |
| Pre Employment Charges | 1,560 | 545 | 1,015 |
| Education and Training | 20,384 | 17,636 | 2,748 |
| Consulting | 7,957 | 4,000 | 3,957 |
| Financial Administration | 54,741 | 49,842 | 4,899 |
| Community Affairs | 50,976 | 42,482 | 8,494 |
| Emergency Contingency Fund | 20,020 | 5,000 | 15,020 |
| Miscellaneous | 10,000 | 9,600 | 400 |
| | <u>399,377</u> | <u>344,889</u> | <u>54,488</u> |
| Town Hall | | | |
| Telephone | 27,846 | 30,191 | (2,345) |
| Utilities | 25,750 | 20,416 | 5,334 |
| High Speed Internet | 2,678 | 1,679 | 999 |
| Equipment Rental | 3,400 | 2,658 | 742 |
| | <u>59,674</u> | <u>54,944</u> | <u>4,730</u> |
| Legal and Audit | | | |
| Audit | 9,735 | 7,837 | 1,898 |
| Legal | 55,620 | 69,919 | (14,299) |
| | <u>65,355</u> | <u>77,756</u> | <u>(12,401)</u> |
| Insurance and Employee Benefits | | | |
| General Insurance | 70,000 | 60,688 | 9,312 |
| Medical, Dental and Life Insurance | 200,400 | 191,317 | 9,083 |
| Unemployment Compensation | 28,417 | 21,746 | 6,671 |
| Flex Plan | 1,125 | 762 | 363 |
| Employee Assistance Program | 2,060 | 1,088 | 972 |
| Health Insurance Waiver | 44,800 | 44,800 | - |
| Health Savings Account | 13,728 | 9,775 | 3,953 |
| Employee Wellness | 10,000 | 4,549 | 5,451 |
| | <u>370,530</u> | <u>334,725</u> | <u>35,805</u> |
| Veteran's Affairs | | | |
| Salaries | 19,174 | 19,024 | 150 |
| Travel | 100 | 77 | 23 |
| Miscellaneous | 100 | 50 | 50 |
| | <u>19,374</u> | <u>19,151</u> | <u>223</u> |

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|----------------------|----------------|-----------------|
| Assessor's Office | | | |
| Office Supplies | 5,873 | 4,159 | 1,714 |
| Printing | 772 | 1,171 | (399) |
| Salaries | 114,218 | 114,647 | (429) |
| Equipment Purchase | 2,838 | 1,028 | 1,810 |
| Travel | 3,018 | 3,679 | (661) |
| Dues, Subscriptions and Publications | 2,866 | 2,237 | 629 |
| Training | 3,341 | 460 | 2,881 |
| Building and Permanent Improvements | 651 | - | 651 |
| Equipment Rental | 1,082 | 373 | 709 |
| Equipment Maintenance | 4,543 | 426 | 4,117 |
| Newsletter/Pamphlet/Photos | 2,163 | - | 2,163 |
| Professional Services | 1,170 | 38 | 1,132 |
| | <u>142,535</u> | <u>128,218</u> | <u>14,317</u> |
| Town Facilities and Maintenance | | | |
| Salaries | 190,831 | 194,380 | (3,549) |
| Postage | 250 | - | 250 |
| Office Supplies | 475 | 225 | 250 |
| Travel | 250 | - | 250 |
| Dues, Subscriptions and Publications | 208 | 251 | (43) |
| Janitorial Supplies | 11,960 | 7,704 | 4,256 |
| Contractual Services | 42,974 | 41,658 | 1,316 |
| Building Maintenance | 31,816 | 10,577 | 21,239 |
| Equipment Maintenance | 32,720 | 28,879 | 3,841 |
| Equipment Rental | 4,000 | 481 | 3,519 |
| Education and Training | 1,000 | 71 | 929 |
| Vehicle Expenditures | 13,200 | 11,019 | 2,181 |
| Trash Removal | 4,524 | 8,321 | (3,797) |
| Grounds Maintenance | 8,653 | 5,198 | 3,455 |
| Uniforms | 1,000 | 692 | 308 |
| Miscellaneous | 2,000 | 2,520 | (520) |
| | <u>345,861</u> | <u>311,976</u> | <u>33,885</u> |
| Emergency Services | | | |
| Salaries | 19,240 | 18,994 | 246 |
| Equipment | 5,200 | 8,474 | (3,274) |
| Uniforms | 3,540 | 6,175 | (2,635) |
| Office Supplies | 1,000 | 1,266 | (266) |
| Printing | 500 | - | 500 |
| Postage | 500 | - | 500 |
| Education/Training/Travel | 5,720 | 3,690 | 2,030 |
| Pre-Volunteer Screening | 3,600 | 228 | 3,372 |
| Miscellaneous | 500 | 174 | 326 |
| | <u>39,800</u> | <u>39,001</u> | <u>799</u> |

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--------------------------------------|----------------------|----------------|-----------------|
| Astor Avenue Project | | | |
| Salaries | 150,652 | 123,751 | 26,901 |
| Staff Training | 1,100 | 1,060 | 40 |
| Printing | 2,500 | 2,042 | 458 |
| Postage | 1,560 | 286 | 1,274 |
| After School Program | 8,861 | 1,394 | 7,467 |
| Books and Journals | 400 | - | 400 |
| Supplies | 5,084 | 517 | 4,567 |
| Utilities and Telephone | 12,680 | 10,226 | 2,454 |
| Community Affairs | 1,508 | 985 | 523 |
| Travel | 1,200 | 1,652 | (452) |
| Office Supplies | 1,000 | 978 | 22 |
| Consultants | 1,000 | 1,000 | - |
| Equipment and Furniture | 1,250 | - | 1,250 |
| Professional Services | 1,000 | - | 1,000 |
| Miscellaneous | 500 | - | 500 |
| | <u>190,295</u> | <u>143,891</u> | <u>46,404</u> |
| Clerk's Department | | | |
| Salaries | 89,908 | 77,167 | 12,741 |
| Postage | 1,700 | 3,324 | (1,624) |
| Office Supplies | 1,300 | 1,635 | (335) |
| Printing and Publishing | 6,002 | 4,152 | 1,850 |
| Travel and Seminars | 1,000 | 837 | 163 |
| Dues, Subscriptions and Publications | 2,000 | 741 | 1,259 |
| Legal Notices | 1,200 | 1,512 | (312) |
| Community Affairs | 2,002 | 3,088 | (1,086) |
| Equipment Maintenance and Repair | 500 | 450 | 50 |
| Furniture, Computer and Aux Support | 5,002 | 3,085 | 1,917 |
| Passport Expenditures | 3,002 | 3,164 | (162) |
| Miscellaneous | 2,002 | 2,009 | (7) |
| | <u>115,618</u> | <u>101,164</u> | <u>14,454</u> |
| Community Health | | | |
| Salaries | 81,554 | 80,805 | 749 |
| Postage | 500 | 50 | 450 |
| Office Supplies | 1,000 | 989 | 11 |
| Printing | 1,339 | 1,379 | (40) |
| Travel | 2,700 | 545 | 2,155 |
| Dues, Subscriptions and Publications | 400 | 569 | (169) |
| Community Affairs | 1,545 | 1,299 | 246 |
| Equipment Maintenance and Rental | 2,080 | 1,173 | 907 |
| Furniture and Computer Equipment | 2,000 | 1,707 | 293 |
| Professional Services | 1,500 | 1,257 | 243 |
| Education and Training | 1,200 | 508 | 692 |
| License/Professional Insurance | 400 | 249 | 151 |
| Grant Development | 1 | - | 1 |
| Medical Supplies | 5,200 | 5,526 | (326) |
| Communications | 1,714 | 1,907 | (193) |
| Crises Care | 3,500 | 3,681 | (181) |
| MHB Prescription Reimbursements | 1 | - | 1 |
| Miscellaneous | 1,000 | 1,237 | (237) |
| | <u>107,634</u> | <u>102,881</u> | <u>4,753</u> |

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|-------------------------------------|-------------------------|-------------------------|-----------------------|
| Youth and Family Services | | | |
| Salaries | 589,521 | 550,992 | 38,529 |
| Education and Training | 5,463 | 4,245 | 1,218 |
| Consulting | 6,120 | 4,900 | 1,220 |
| Answering Service | 1,304 | 1,200 | 104 |
| Printing | 2,500 | 1,623 | 877 |
| Postage | 1,800 | 894 | 906 |
| Books and Journals | 550 | 546 | 4 |
| Equipment Maintenance | 1,300 | 1,630 | (330) |
| Psychiatric Backup | 20,000 | 10,200 | 9,800 |
| Office Supplies | 7,500 | 3,453 | 4,047 |
| Community Affairs | 5,000 | 3,796 | 1,204 |
| Recruitment and Pre-Employment | 2,500 | 3,068 | (568) |
| Travel | 3,500 | 2,840 | 660 |
| Intern Stipends | 10,000 | 8,680 | 1,320 |
| Insurance | 3,000 | - | 3,000 |
| Equipment and Furniture | 5,200 | 5,150 | 50 |
| Seasonal Open Gym Program | 21,632 | 20,420 | 1,212 |
| Tutoring | 15,680 | 15,497 | 183 |
| Dues and Subscriptions | 3,400 | 497 | 2,903 |
| Year-Round Open Gym Program | 25,000 | 19,268 | 5,732 |
| Youth Job Incubator Project | - | 95 | (95) |
| Miscellaneous | 1,500 | 7 | 1,493 |
| | <u>732,470</u> | <u>659,001</u> | <u>73,469</u> |
| Capital Outlay | | | |
| Building and Permanent Improvements | - | - | - |
| Furniture and Computer Equipment | 79,568 | 58,905 | 20,663 |
| Equipment Purchases | 21,218 | 25,426 | (4,208) |
| | <u>100,786</u> | <u>84,331</u> | <u>16,455</u> |
| TOTAL EXPENDITURES | <u><u>2,788,111</u></u> | <u><u>2,504,530</u></u> | <u><u>283,581</u></u> |

HANOVER TOWNSHIP

SENIOR SERVICES FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|----------------------------------|----------------------|---------------------|-------------------|
| Administration | | | |
| Salaries | \$ 433,897 | \$ 398,356 | \$ 35,541 |
| Contingency | 118,439 | 14,902 | 103,537 |
| Recruitment | 2,387 | 1,141 | 1,246 |
| Equipment Purchase/Rental/Repair | 7,344 | 7,961 | (617) |
| Supplies | 11,435 | 9,574 | 1,861 |
| Postage | 2,880 | 3,060 | (180) |
| Telephone and Internet | 7,500 | 4,491 | 3,009 |
| Dues and Subscriptions | 750 | 537 | 213 |
| Travel | 2,624 | 2,369 | 255 |
| Education and Training | 4,680 | 3,838 | 842 |
| Community Affairs | 5,200 | 9,038 | (3,838) |
| Title Endowment Fund | 22,526 | 2,771 | 19,755 |
| Utilities | 79,000 | 56,070 | 22,930 |
| Miscellaneous | 1,030 | 508 | 522 |
| | <u>699,692</u> | <u>514,616</u> | <u>185,076</u> |
| Social Services | | | |
| Programming | 88,816 | 116,482 | (27,666) |
| Outreach | 4,085 | 4,873 | (788) |
| Volunteer Services | 11,557 | 11,500 | 57 |
| Club 59 | 24,469 | 26,635 | (2,166) |
| Nutrition | 16,224 | 14,865 | 1,359 |
| Computer Instruction | 1,500 | 393 | 1,107 |
| Visual Arts | 19,123 | 15,421 | 3,702 |
| Title III Expenditures | 16,674 | - | 16,674 |
| Miscellaneous | 2,500 | 2,477 | 23 |
| | <u>184,948</u> | <u>192,646</u> | <u>(7,698)</u> |
| Transportation | | | |
| Emergency Maintenance | 14,027 | - | 14,027 |
| Vehicle Maintenance | 50,490 | 28,230 | 22,260 |
| Salaries | 271,433 | 273,650 | (2,217) |
| Recruitment | 2,000 | 2,161 | (161) |
| Telephone | 10,000 | 4,600 | 5,400 |
| Training | 3,000 | 1,649 | 1,351 |
| Fuel | 35,000 | 28,861 | 6,139 |
| Uniforms | 1,750 | 1,118 | 632 |
| Garage Lease | 22,000 | 20,000 | 2,000 |
| | <u>409,700</u> | <u>360,269</u> | <u>49,431</u> |
| TOTAL EXPENDITURES | <u>\$ 1,294,340</u> | <u>\$ 1,067,531</u> | <u>\$ 226,809</u> |

HANOVER TOWNSHIP

ROAD AND BRIDGE FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|---|----------------------|-------------------|---------------------|
| Administration | | | |
| Unemployment Compensation | \$ 541 | \$ 215 | \$ 326 |
| IMRF Expense | 23,400 | 8,427 | 14,973 |
| FICA Expense | 15,600 | 6,175 | 9,425 |
| Postage | 2,080 | 607 | 1,473 |
| Legal | 8,653 | 15,951 | (7,298) |
| Insurance | 48,672 | 37,772 | 10,900 |
| Accounting | 2,163 | 2,163 | - |
| Telephone | 2,704 | 4,460 | (1,756) |
| Dues, Subscriptions and Publications | 936 | 80 | 856 |
| Travel | 1,622 | 631 | 991 |
| Printing | 2,704 | 2,219 | 485 |
| Uniforms and Safety Equipment | 1,560 | 2,389 | (829) |
| Community Affairs | 2,750 | 506 | 2,244 |
| Utilities | 6,490 | 5,536 | 954 |
| Service Charges | 260 | 79 | 181 |
| Office Supplies | 2,080 | 2,164 | (84) |
| Replacement Tax | 12,480 | - | 12,480 |
| | <u>134,695</u> | <u>89,374</u> | <u>45,321</u> |
| Maintenance of Roads | | | |
| Controlled Substance Testing | 1,082 | 356 | 726 |
| Salaries | 218,400 | 125,150 | 93,250 |
| Material and Supplies | 10,920 | 26,314 | (15,394) |
| Gas and Oil | 9,944 | 11,661 | (1,717) |
| Machine Rental | 1,839 | 176 | 1,663 |
| Maintenance Supplies | 7,571 | 1,434 | 6,137 |
| Engineering | 10,816 | 9,870 | 946 |
| Contract Work | 534,939 | 181,902 | 353,037 |
| Equipment Maintenance | 16,224 | 36,471 | (20,247) |
| Street Lighting | 6,490 | 4,305 | 2,185 |
| Building Maintenance | 5,408 | - | 5,408 |
| Signs, Striping and Tree Removal | 16,224 | 1,363 | 14,861 |
| Bridge Repair and Maintenance | 10,816 | - | 10,816 |
| Salt | 90,480 | 61,592 | 28,888 |
| | <u>941,153</u> | <u>460,594</u> | <u>480,559</u> |
| Capital Outlay | | | |
| Equipment Purchase | 126,198 | 108,514 | 17,684 |
| Construction Equipment | 4,326 | 1,076 | 3,250 |
| Building and Permanent Improvement | 10,816 | - | 10,816 |
| Land/Building Acquisition and Improvement | 2,000,000 | - | 2,000,000 |
| | <u>2,141,340</u> | <u>109,590</u> | <u>2,031,750</u> |
| TOTAL EXPENDITURES | <u>\$ 3,217,188</u> | <u>\$ 659,558</u> | <u>\$ 2,557,630</u> |

HANOVER TOWNSHIP

MENTAL HEALTH FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2010

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|------------------------------------|----------------------|----------------|-----------------|
| Administration | | | |
| Hanover Township Services | \$ 4,500 | \$ - | \$ 4,500 |
| Legal | 5,000 | 4,236 | 764 |
| Travel and Conferences | 1,000 | 200 | 800 |
| Personal Expense Reimbursement | 4,500 | 4,433 | 67 |
| Auditing | 250 | - | 250 |
| Subscriptions and Publications | 250 | 107 | 143 |
| Salaries | 85,500 | 84,015 | 1,485 |
| Employee Benefits | 5,600 | 5,396 | 204 |
| Unemployment Compensation | 1,000 | - | 1,000 |
| IMRF Expense | 8,500 | 9,021 | (521) |
| FICA Expense | 6,565 | 6,396 | 169 |
| Community Relations | 4,000 | 2,506 | 1,494 |
| Supplies | 1,250 | 998 | 252 |
| Postage | 1,250 | 679 | 571 |
| Equipment Purchase and Maintenance | 2,000 | 1,573 | 427 |
| Dues | 5,000 | 4,460 | 540 |
| Special Events | 1,500 | - | 1,500 |
| Printing | 1,500 | 1,080 | 420 |
| Marketing and Grant Development | 3,500 | 1,546 | 1,954 |
| Consultants | 2,000 | - | 2,000 |
| Miscellaneous | 1,500 | 1,747 | (247) |
| | <u>146,165</u> | <u>128,393</u> | <u>17,772</u> |
| Building Occupancy | | | - |
| Utilities | 10,000 | 8,699 | 1,301 |
| Insurance | 1,000 | - | 1,000 |
| Telephone Systems Maintenance | 4,000 | 2,876 | 1,124 |
| Building Maintenance | 3,000 | 2,542 | 458 |
| Janitorial | 7,000 | 4,968 | 2,032 |
| Rent | 10,000 | 10,000 | - |
| Capital Improvements | 163,000 | 1,734 | 161,266 |
| Agency Support Service | 6,000 | 7,791 | (1,791) |
| | <u>204,000</u> | <u>38,610</u> | <u>165,390</u> |

MENTAL HEALTH FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

| | <u>APPROPRIATION</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|----------------------|-------------------|-----------------|
| Service Contracts/Grant by Agency | | | |
| Community Crisis Center | 55,300 | 55,300 | - |
| Children's Advocacy Center | 45,000 | 45,317 | (317) |
| Open Door Clinic | 5,000 | 5,000 | - |
| Association for Individual Development | 41,500 | 32,375 | 9,125 |
| Clearbrook | 9,700 | 9,700 | - |
| Jayne Shover Easter Seal Center | 31,000 | 31,056 | (56) |
| Renz Addiction Counseling Center | 65,000 | 65,000 | - |
| Dayone Network, Inc. | 6,500 | 6,500 | - |
| Northwest CASA | 5,000 | 5,000 | - |
| Pace Transportation | 15,000 | 35,825 | (20,825) |
| Ecker Mental Health Center | 68,300 | 68,300 | - |
| Hanover Township Youth Services | 20,000 | 10,275 | 9,725 |
| Contract Support Services | 20,000 | 4,526 | 15,474 |
| Community Education | 10,000 | 3,879 | 6,121 |
| Centro De Informacion | 29,000 | 29,000 | - |
| The Bridge | 17,000 | 17,000 | - |
| Family Services | 33,000 | 38,500 | (5,500) |
| LSSI | 5,600 | 2,860 | 2,740 |
| Epilepsy Foundation | 2,200 | 2,200 | - |
| Larkin Center | 6,500 | 6,500 | - |
| Summit Center | 5,000 | 5,000 | - |
| Tide Project | 30,000 | 32,280 | (2,280) |
| PADS of Elgin | 15,000 | 15,000 | - |
| Alexian Brothers-Outpatient Psychology | 16,500 | 16,500 | - |
| Countryside Work Training Center | 3,200 | 3,200 | - |
| Greater Elgin Family Care Center | 13,500 | 13,500 | - |
| Countryside In-Home Respite | 1,500 | 1,548 | (48) |
| Special Education Advocacy Center | 5,000 | 5,000 | - |
| WINGS | 5,000 | 5,000 | - |
| Language Scholarship Fund | 10,000 | 4,698 | 5,302 |
| MI-Drug Medical Tests Fund | 6,000 | 712 | 5,288 |
| Challenge Grant Fund | 50,000 | - | 50,000 |
| Capital Grant Fund | 50,000 | 26,136 | 23,864 |
| Clearbrook Employment | 1,700 | 1,700 | - |
| Community Crisis SA Counseling | 9,000 | 9,000 | - |
| Countryside C/F Support | 2,000 | 955 | 1,045 |
| SPHD | 5,000 | 5,000 | - |
| Web Based Resource Directory | 8,640 | 8,520 | 120 |
| Bartlett Learning Center | 4,200 | 2,388 | 1,812 |
| Crisis Line Development | 10,000 | 8,470 | 1,530 |
| Maryville Academy-Eisenberg Campus | 7,200 | 7,200 | - |
| Leyden Township - Share Rehab/Detox | 30,000 | 30,000 | - |
| Boys and Girls Club | 5,000 | 5,000 | - |
| | <u>784,040</u> | <u>680,920</u> | <u>103,120</u> |
| TOTAL EXPENDITURES | <u>\$ 1,134,205</u> | <u>\$ 847,923</u> | <u>286,282</u> |

HANOVER TOWNSHIP

OTHER FUNDS

COMBINING GOVERNMENTAL FUNDS BALANCE SHEET

MARCH 31, 2010

| | CAPITAL PROJECTS FUND | GENERAL ASSISTANCE FUND | RETIREMENT FUND | VEHICLE REPLACEMENT FUND | TOTAL GOVERNMENTAL FUNDS |
|-------------------------------------|-----------------------------|-------------------------------|--------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Investments | \$ 349,401 | \$ 426,734 | \$ 173,002 | \$ 449,262 | \$ 1,398,399 |
| Property Tax Receivables, net | - | 169,367 | 153,350 | - | 322,717 |
| Other Assets | - | 14,823 | - | - | 14,823 |
| Total Assets | <u>\$ 349,401</u> | <u>\$ 610,924</u> | <u>\$ 326,352</u> | <u>\$ 449,262</u> | <u>\$ 1,735,939</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 3,005 | \$ 757 | \$ - | \$ - | \$ 3,762 |
| Accrued Wages | - | 3,997 | 14,409 | - | 18,406 |
| Deferred Revenues | - | 169,367 | 153,350 | - | 322,717 |
| Total Liabilities | <u>3,005</u> | <u>174,121</u> | <u>167,759</u> | <u>-</u> | <u>344,885</u> |
| FUND BALANCES | | | | | |
| Unreserved, Reported in | | | | | |
| Capital Projects Fund | 346,396 | - | - | 449,262 | 795,658 |
| Special Revenue Funds | - | 436,803 | 158,593 | - | 595,396 |
| Total Fund Balances | <u>346,396</u> | <u>436,803</u> | <u>158,593</u> | <u>449,262</u> | <u>1,391,054</u> |
| Total Liabilities and Fund Balances | <u>\$ 349,401</u> | <u>\$ 610,924</u> | <u>\$ 326,352</u> | <u>\$ 449,262</u> | <u>\$ 1,735,939</u> |

HANOVER TOWNSHIP

OTHER FUNDS

COMBINING GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2010

| | CAPITAL PROJECTS FUND | GENERAL ASSISTANCE FUND | RETIREMENT FUND | VEHICLE REPLACEMENT FUND | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------------------|-------------------------------|--------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ - | \$ 309,819 | \$ 292,063 | \$ - | \$ 601,882 |
| State Replacement Taxes | - | 4,008 | - | - | 4,008 |
| Interest Income | - | 1,166 | 47 | 1,194 | 2,407 |
| Bus Fees | - | - | - | 6,953 | 6,953 |
| Grant Income | - | 10,103 | - | - | 10,103 |
| Miscellaneous | - | 10,104 | - | - | 10,104 |
| Total Revenues | - | 335,200 | 292,110 | 8,147 | 635,457 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Administration | - | 196,273 | 422,271 | - | 618,544 |
| Home Relief | - | 112,569 | - | - | 112,569 |
| Capital Outlay | 19,680 | - | - | 64,074 | 83,754 |
| Total Expenditures | 19,680 | 308,842 | 422,271 | 64,074 | 814,867 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (19,680) | 26,358 | (130,161) | (55,927) | (179,410) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers-Net | 199,678 | - | 177,868 | 215,500 | 593,046 |
| Net Change in Fund Balances | 179,998 | 26,358 | 47,707 | 159,573 | 413,636 |
| FUND BALANCES | | | | | |
| Beginning of Year | 166,398 | 410,445 | 110,886 | 289,689 | 977,418 |
| End of Year | \$ 346,396 | \$ 436,803 | \$ 158,593 | \$ 449,262 | \$ 1,391,054 |