

Hanover Township
(Located within the State of Illinois)
Comprehensive Annual Financial Report
For the Year Ended March 31, 2017

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Introductory Section

**Hanover Township
Principal Officials
For the Year Ended March 31, 2017**

Elected Officials

Brian P. McGuire
Supervisor

Katy Dolan Baumer
Clerk

Thomas S. Smogolski
Assessor

P. Craig Ochoa
Highway Commissioner

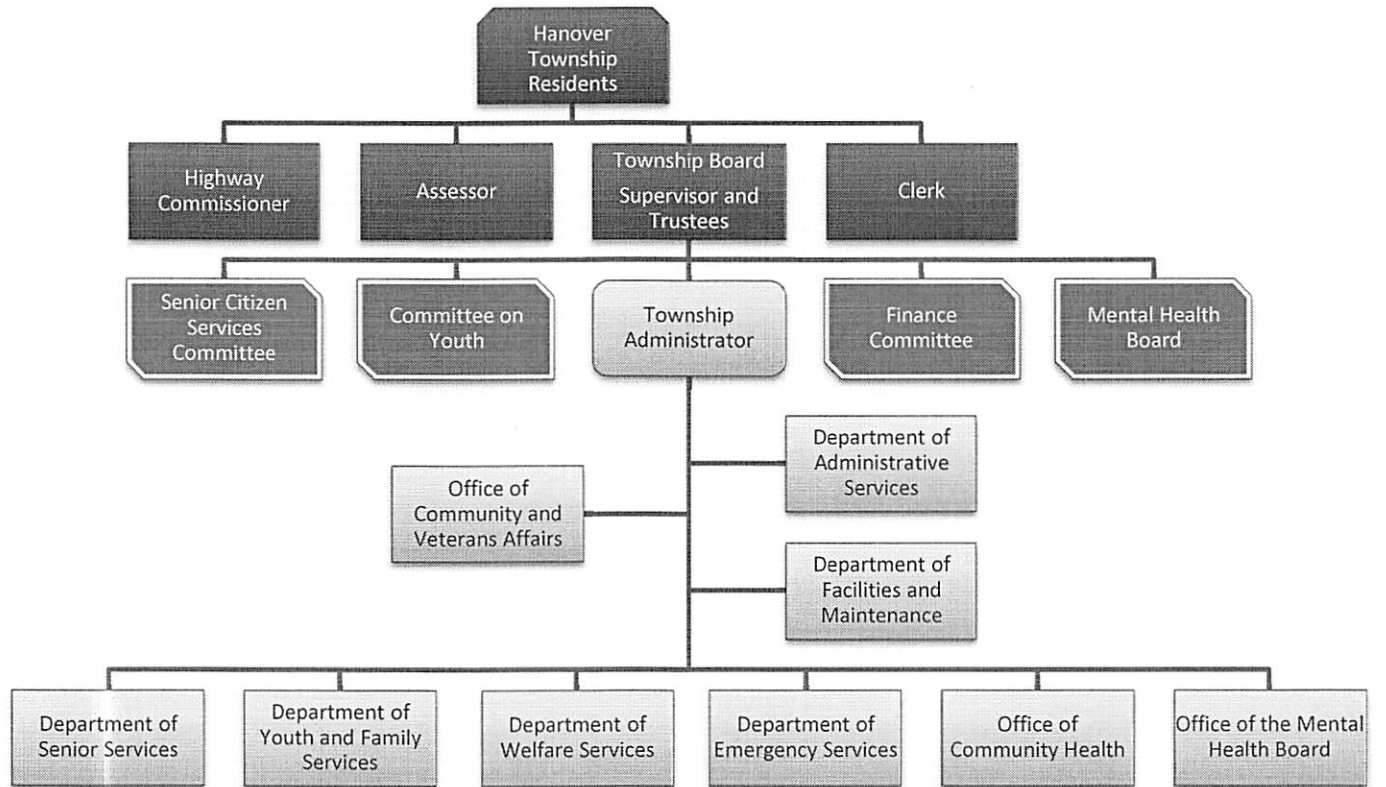
Mary Alice Benoit
Steve Caramelli
Craig Essick
Howard Krick
Trustees

Administrative Staff

James C. Barr
Township Administrator

Suzanne Powers
Assistant Township Administrator

**Hanover Township
Organizational Chart
For the Year Ended March 31, 2017**





July 5, 2017

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

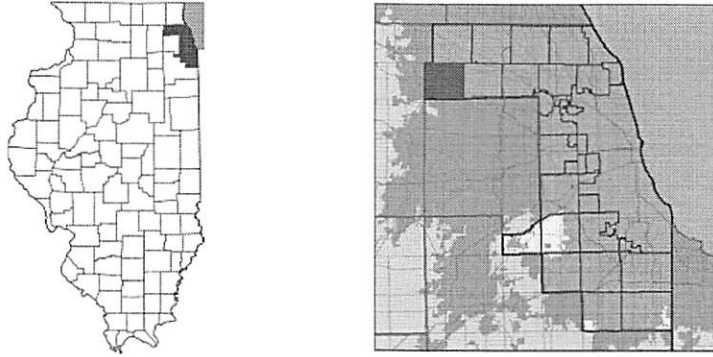
Honorable Trustees:

The Comprehensive Annual Financial Report (CAFR) of Hanover Township for the fiscal year ending March 31, 2017 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 3.

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 2015 American Community Survey (ACS), the population of 101,304 for the Township represents a 2.0% increase from the 2010 population of 99,538. The 2015 median household income is \$71,525 and per capita income is \$26,998. The potential for future population growth is modest even with a slightly improving housing market as the Township has minimal buildable land available for future development. Throughout last three tax years ('14 through '16), the Township's equalized assessed valuation has increased by 12.3%.

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
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	0.277	0.021	0.095	0.061
2015	1,719,228,781	0.295	0.023	0.099	0.058
2016	2,002,214,061	0.255	0.020	0.086	0.057

According to the 2015 ACS, the total housing units for the Township amounted to 34,201 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.

MAJOR INITIATIVES/HAPPENINGS FOR THE YEAR

The 2017 Budget for Operations remained fairly static for the year. The Township's total major funds were 16.0% under budget. Additionally, the Township was able to transfer monies into the senior, vehicle and capital projects funds in the amount of \$225,000, \$40,000 and \$1,200,000 respectively. These monies in addition to prior years' reserves funded the following major projects from fiscal year 2017: replacement of the Town Hall and Senior Center parking lots, curbs, and targeted walkways, along with additional parking. Additional projects included improvements to the Izaak Walton Center walk paths and archery field and Astor Avenue Food Pantry walk-in freezer and continued smaller improvements at the Izaak Walton Center and Reserve, Senior Center, and Town Hall.

FUTURE INITIATIVES/FUTURE DIRECTION

Although the Capital Improvement Program anticipates expenditures over a five year period, the Town Board has allocated up to \$1,217,700 to be expended on Fiscal Year 2018 capital improvements. The \$1,217,700 will be derived from local property tax revenues and reserves. These funds are to be budgeted on the following primary projects; including completing the replacement of the Astor Avenue Community Center roof and the resurfacing and expansion of the Izaak Walton Center parking lot. Additional projects include improvements to the Senior Center such as tile replacement, Downey Hall renovations, and a phone system replacement and upgrade for the Town Hall, Senior Center, and Astor Avenue Community Center.

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 89% of the total revenue for the major governmental funds.

Assessed valuation of \$2,002,214,061 represents a 16.5% increase from prior fiscal year as a result the tax rates for 2016 decreased.

Allocation of the property tax levy for 2016 and the preceding tax year are as follows (amounts for each \$100 of assessed value).

Purpose	2015	2016
Town of Hanover	.295	.255
General Assistance Fund	.023	.020
Road and Bridge Fund	.099	.086
Mental Health Fund	.058	.057
Total Tax Rate	.475	.418

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, 2017 the general fixed assets of the Hanover Township amounted to \$8,475,175. The major category of decrease results from yearly depreciation of \$674,984.

Independent Audit - Chapter 50, Section 310/2 of the Illinois Revised Statutes 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, 2017. 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, 2017 in addition to the GFOA's Award for Reporting Excellence for its CAFR dated March 31, 2016. 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.

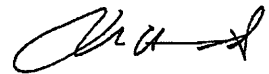
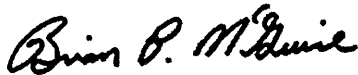
We would like to thank the Hanover Township board and elected officials for their interest and support in planning and conducting the financial operation of the Township in a responsible and progressive manner.

Respectfully submitted,

Brian P. McGuire
Supervisor

James C. Barr
Administrator

James R. Howard
Finance





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Hanover Township
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2016

Executive Director/CEO

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, 2017, 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, 2017, 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.

Tighe, Knest & Oupc.

Elgin, Illinois
July 5, 2017

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2017**

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, 2017. 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 and deferred outflows of resources of Hanover Township exceeded its liabilities and deferred inflows of resources by \$14,292,048 and \$14,072,966 as of March 31, 2017 and 2016, respectively. The Township's net position increased \$219,082 in fiscal year 2017 as the Township continued to work on capital projects and made major infrastructure improvements.

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

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2017**

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,292,048 for the year ended March 31, 2017, which was an increase of \$219,082 from prior year. The increase indicates the financial position of the Township grew 1.5% during fiscal year 2017 due to better than expected charges for services and monitoring of expense budgets by department.

A portion of the Township's net position reflects its investment in capital assets of \$8,475,175. 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 \$2,230,849 at March 31, 2017 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, 2017**

Condensed Statement of Net Position

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Current and Other Assets	\$ 10,904,522	\$ 10,936,320
Capital Assets, Net of Accumulated Depreciation	<u>8,475,175</u>	<u>8,014,537</u>
Total Assets	<u>19,379,697</u>	<u>18,950,857</u>
Deferred Outflows of Resources	507,147	635,203
Total Assets and Deferred Outflow of Resources	<u>19,886,844</u>	<u>19,586,060</u>
Current Liabilities	4,200,134	4,089,120
Non-Current Liabilities	<u>1,283,465</u>	<u>1,353,556</u>
Total Liabilities	<u>5,483,599</u>	<u>5,442,676</u>
Deferred Inflows of Resources	111,197	70,418
Total Liabilities and Deferred Inflow of Resources	<u>5,594,796</u>	<u>5,513,094</u>
Net Position		
Investment in Capital Assets	8,475,175	8,014,537
Restricted	3,586,024	3,474,467
Unrestricted	<u>2,230,849</u>	<u>2,583,962</u>
Total Net Position	<u>\$ 14,292,048</u>	<u>\$ 14,072,966</u>

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2017**

Condensed Statement of Activities

	For the Year Ended,	
	March 31, 2017	March 31, 2016
Revenues		
Program Revenues		
Charges for services	\$ 355,794	\$ 322,323
Operating grants and contributions	259,188	213,128
Capital grants and contributions	43,141	31,099
General Revenues		
Property taxes	7,254,750	7,170,336
State replacement taxes	64,971	66,824
Interest income	17,471	14,841
Other	164,649	109,545
Total Revenues	<u>8,159,963</u>	<u>7,928,096</u>
Expenses		
Program Expenses		
Town	3,719,525	3,037,861
Youth services	1,030,959	1,040,049
Community & veteran relations	236,826	234,461
Senior services	1,396,310	2,028,082
Road & bridge	366,785	966,389
Mental health	1,071,377	1,232,181
Home relief	119,100	193,289
Total Expenses	<u>7,940,882</u>	<u>8,732,312</u>
Change in Net Position	<u>219,082</u>	<u>(804,216)</u>
Net Position		
Beginning of Year	14,072,966	15,469,598
Prior Period Adjustment - Implementation of GASB 68	<u>-</u>	<u>(592,416)</u>
Net Position - Beginning, restated	-	16,047,095
End of Year	<u>\$ 14,292,048</u>	<u>\$ 14,072,966</u>

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2017**

The following is a summary of changes in fund balances for the year ended March 31, 2017:

Governmental Funds	Fund Balance March 31, 2016	Increase (Decrease)	Fund Balance March 31, 2017
Town	\$ 2,876,626	\$ (831,773)	\$ 2,044,853
Senior Services	1,164,708	17,701	1,182,409
Road and Bridge	878,112	(76,764)	801,348
Mental Health	870,211	(10,361)	859,850
Capital Projects	392,730	627,380	1,020,110
General Assistance	358,486	186,117	544,603
Illinois Municipal Retirement	123,598	(2,247)	121,351
Social Security	79,352	(2,889)	76,463
Vehicle Replacement	327,000	(38,530)	288,470
	<u>\$ 7,070,823</u>	<u>\$ (131,366)</u>	<u>\$ 6,939,457</u>

The majority of the changes in fund balance are due to inter-fund transfers. During the year \$225,000 was transferred to the Senior Services Fund, \$40,000 was transferred to the Vehicle Replacement Fund, and \$1,200,000 was transferred to the Capital Projects Fund. Road and Bridge fund balance decrease is due to a transfer out of the fund of \$250,000. 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 \$3,571,726 were under revenues by \$333,227 and were \$87,442 less than the appropriation of \$3,659,168.

Capital Assets

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

	March 31, 2016	March 31, 2017
Land	\$ 936,041	\$ 936,041
Buildings	5,722,786	5,722,786
Building improvements	1,922,220	2,452,471
Office furniture & equipment	1,098,789	1,142,230
Trucks & equipment	1,161,644	1,308,061
Buses	758,120	812,349
Infrastructure	1,942,823	2,304,107
Cost of Capital Assets	<u>13,542,423</u>	<u>14,678,045</u>
Less Accumulated Depreciation	<u>(5,527,886)</u>	<u>(6,202,870)</u>
Net Capital Assets	<u>\$ 8,014,537</u>	<u>\$ 8,475,175</u>

For more information please refer to Note 6 of the financial statements on page 22.

(See independent auditor's report.)

**Hanover Township
Management's Discussion and Analysis
For the Year Ended March 31, 2017**

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 72 and 76

For the year ended March 31, 2017, the Township implemented the provisions of GASB No. 72, Fair Value Measurement and Application; and GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. GASB Statement No. 72 establishes standards for measuring fair value, applying fair value to certain investments, and disclosures related to all fair value measurement. There has been no effect to current or prior periods with this implementation. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles. There has been no effect to current or prior periods with this implementation.

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, 2017

	<u>Governmental Activities</u>
Assets and Deferred Outflow of Resources	
Current Assets:	
Cash and investments	\$ 7,127,905
Receivables (net, where applicable of allowances for uncollectibles)	
Taxes	3,731,686
Other	705
Prepaid expenses	44,226
Total current assets:	<u>10,904,522</u>
Non-Current Assets:	
Capital assets, not being depreciated	936,041
Capital assets, being depreciated (net of accumulated depreciation)	7,539,134
Total non-current assets:	<u>8,475,175</u>
Total Assets	<u>19,379,697</u>
Deferred Outflows of Resources	507,147
Total Assets and Deferred Outflow of Resources	<u>\$ 19,886,844</u>
Liabilities and Deferred Inflows of Resources	
Current Liabilities:	
Accounts payable	\$ 162,481
Accrued payroll	114,997
Unearned revenue	3,687,587
Compensated absences - due within one year	235,069
Total current liabilities:	<u>4,200,134</u>
Noncurrent liabilities	
Compensated absences - due in more than one year	135,441
Net Pension Liability	1,148,024
Total non-current liabilities:	<u>1,283,465</u>
Total Liabilities	<u>5,483,599</u>
Deferred Inflows of Resources	111,197
Total Liabilities and Deferred Inflow of Resources	<u>\$ 5,594,796</u>
Net Position	
Net position, investment in capital assets	\$ 8,475,175
Restricted for	
Senior services	1,182,409
Roads and bridges	801,348
Mental health	859,850
General assistance	544,603
Retirement benefits	197,814
Unrestricted	2,230,849
Total Net Position	<u>\$ 14,292,048</u>

See accompanying notes to financial statements.

**Hanover Township
Statement of Activities
For the Year Ended March 31, 2017**

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	\$ 3,719,438	\$ 148,837	\$ 7,858	\$ -	\$ (3,562,743)
Youth services	1,030,752	30,071	81,645	-	(919,036)
Community relations	237,120	-	-	-	(237,120)
Home relief	119,100	-	-	-	(119,100)
Highways and streets	366,785	-	-	-	(366,785)
Mental health	1,071,377	11,800	-	-	(1,059,577)
Senior center	<u>1,396,310</u>	<u>165,086</u>	<u>169,685</u>	<u>43,141</u>	<u>(1,018,398)</u>
Total Primary Government	\$ <u>7,940,882</u>	\$ <u>355,794</u>	\$ <u>259,188</u>	\$ <u>43,141</u>	<u>(7,282,759)</u>
General Revenues					
Property taxes					7,254,750
Replacement taxes					64,971
Investment income					17,471
Miscellaneous					<u>164,649</u>
Total General Revenues					<u>7,501,841</u>
Change in Net Position					<u>219,082</u>
Net Position, April 1					14,072,966
Net Position, March 31					<u>\$ <u>14,292,048</u></u>

See accompanying notes to financial statements.

Hanover Township
Balance Sheet - Governmental Funds
March 31, 2017

	<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	\$ 2,120,902	\$ 1,197,062	\$ 816,323	\$ 912,382	\$ 1,041,867	\$ 1,039,369	\$ 7,127,905
Receivables (net)							
Taxes	1,810,726	532,779	426,109	613,082	-	348,990	3,731,686
Other	-	-	705	-	-	-	705
Prepaid items	29,549	9,911	4,766	-	-	-	44,226
Total Assets	<u><u>\$ 3,961,177</u></u>	<u><u>\$ 1,739,752</u></u>	<u><u>\$ 1,247,903</u></u>	<u><u>\$ 1,525,464</u></u>	<u><u>\$ 1,041,867</u></u>	<u><u>\$ 1,388,359</u></u>	<u><u>\$ 10,904,522</u></u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 43,894	\$ 17,186	\$ 24,109	\$ 54,625	\$ 21,757	\$ 910	\$ 162,481
Accrued payroll	85,442	14,344	2,137	731	-	12,343	114,997
Unearned revenue	<u>1,786,988</u>	<u>525,813</u>	<u>420,309</u>	<u>610,258</u>	<u>-</u>	<u>344,219</u>	<u>3,687,587</u>
Total Liabilities	<u>1,916,324</u>	<u>557,343</u>	<u>446,555</u>	<u>665,614</u>	<u>21,757</u>	<u>357,472</u>	<u>3,965,065</u>
Fund Balances							
Nonspendable	29,549	9,911	4,766	-	-	-	44,226
Restricted							
Restricted for senior services	-	1,172,498	-	-	-	-	1,172,498
Restricted for highways and streets	-	-	796,582	-	-	-	796,582
Restricted for mental health	-	-	-	859,850	-	-	859,850
Restricted for general assistance	-	-	-	-	-	544,603	544,603
Restricted for employee retirement	-	-	-	-	-	197,814	197,814
Committed	-	-	-	-	-	-	-
Assigned							
Assigned for capital projects	-	-	-	-	1,020,110	-	1,020,110
Assigned for vehicle replacement	-	-	-	-	-	288,470	288,470
Unassigned	<u>2,015,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,015,304</u>
Total Fund Balances	<u>2,044,853</u>	<u>1,182,409</u>	<u>801,348</u>	<u>859,850</u>	<u>1,020,110</u>	<u>1,030,887</u>	<u>6,939,457</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,961,177</u></u>	<u><u>\$ 1,739,752</u></u>	<u><u>\$ 1,247,903</u></u>	<u><u>\$ 1,525,464</u></u>	<u><u>\$ 1,041,867</u></u>	<u><u>\$ 1,388,359</u></u>	<u><u>\$ 10,904,522</u></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, 2017**

Fund Balances of Governmental Funds	\$ 6,939,457
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	8,475,175
Compensated absences payable are not due and payable in the current period and therefore, are not reported in governmental funds	(370,510)
Net Pension Liability is not included on the governmental fund statement	(1,148,024)
Deferred outflows of resources for pension are not recognized on governmental fund statement	507,147
Deferred inflows of resources for pension are not recognized on governmental fund statement	<u>(111,197)</u>
Net Position of Governmental Activities	<u>\$ 14,292,048</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, 2017

	General (Town)	Senior Services	Road and Bridge	Mental Health	Capital Projects	Nonmajor	Total
Revenues							
Taxes	\$ 3,609,589	\$ 1,056,690	\$ 901,377	\$ 1,043,047	\$ -	\$ 709,018	\$ 7,319,721
Program revenue	-	165,086	-	-	-	-	165,086
Passport fees	137,737	-	-	-	-	-	137,737
Rental income	11,100	-	-	11,800	-	-	22,900
Youth commission	111,715	-	-	-	-	-	111,715
Intergovernmental	-	212,826	-	-	-	7,858	220,684
Investment income	10,243	1,288	3,639	1,028	-	1,273	17,471
Miscellaneous	24,569	34,249	1,663	13,953	-	90,215	164,649
Total Revenues	3,904,953	1,470,139	906,679	1,069,828	-	808,364	8,159,963
Expenditures							
Town	2,192,696	-	-	-	-	497,998	2,690,694
Youth services	1,027,050	-	-	-	-	-	1,027,050
Community relations	239,914	-	-	-	-	-	239,914
Home relief	-	-	-	-	-	119,100	119,100
Highways and streets	-	-	564,210	-	-	-	564,210
Mental health	-	-	-	1,080,189	-	-	1,080,189
Senior center	-	1,627,438.00	-	-	-	-	1,627,438
Capital outlay	112,066	-	169,233	-	572,620	88,815	942,734
Total Expenditures	3,571,726	1,627,438	733,443	1,080,189	572,620	705,913	8,291,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,227	(157,299)	173,236	(10,361)	(572,620)	102,451	(131,366)
Other Financing Sources (Uses)							
Transfers in	-	225,000	-	-	1,200,000	40,000	1,465,000
Transfers out	(1,165,000)	(50,000)	(250,000)	-	-	-	(1,465,000)
Total Other Financing Sources (Uses)	(1,165,000)	175,000	(250,000)	-	1,200,000	40,000	-
Net Change in Fund Balances	(831,773)	17,701	(76,764)	(10,361)	627,380	142,451	(131,366)
Fund Balances, April 1	2,876,626	1,164,708	878,112	870,211	392,730	888,436	7,070,823
Fund Balances, March 31	\$ 2,044,853	\$ 1,182,409	\$ 801,348	\$ 859,850	\$ 1,020,110	\$ 1,030,887	\$ 6,939,457

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, 2017

Net Change in Fund Balances - Total Governmental Funds		\$ (131,366)
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		1,135,622
Depreciation expense does not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds		(674,984)
The increase in the compensated absences liability is shown as an increase of expense on the statement of activities		7,497
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	(432,605)	
Employer contributions	<u>314,918</u>	(117,687)
Changes in Net Position of Governmental Activities		<u>\$ 219,082</u>

See accompanying notes to financial statements.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

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, 2017, 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 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, 2017**

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, 2017

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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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, 2017

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, 2017**

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.

Implementation of GASB 72 and 76

For the year ended March 31, 2017 the Township implemented the provisions of GASB No. 72, Fair Value Measurement and Application; and GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. GASB Statement No. 72 establishes standards for measuring fair value, applying fair value to certain investments, and disclosures related to all fair value measurement. There has been no effect to current or prior periods with this implementation. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles. There has been no effect to current or prior periods with this implementation.

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, 2017

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, 2017, the Township had \$6,227,039 in pledged securities. The Township’s deposits are collateralized or insured at 253% 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, 2017:

		Investment Maturities in Years			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 2,208,979	\$ 2,208,979	\$ -	\$ -	\$ -
Total	\$ 2,208,979	\$ 2,208,979	\$ -	\$ -	\$ -

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, 2017**

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.

Fair Value Measurement is measured by the Township using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Township's investments carried at fair value are valued using quoted market prices (Level 1 inputs).

Note 3 – Receivables – Taxes

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, 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, 2017 and are payable in two installments, on or about March 1, 2017 and October 1, 2017. 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 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of March 31, 2017 as the tax has not yet been levied by the Township and will not be levied until December 2017 and, therefore, the levy is not measurable at March 31, 2017.

Note 4 – 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 5 – 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	\$ 378,005	\$ 267,374	\$ (274,871)	\$ 370,510	\$ 235,069
Total		\$ 378,005	\$ 267,374	\$ (274,871)	\$ 370,510	\$ 235,069

Compensated absences are liquidated by the fund in which the liability is incurred. For the year ended March 31, 2017, the two funds with the largest portion of the liability are the General and Senior Services funds.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

Note 6 – Capital Assets

Capital asset activity for the year ended March 31, 2017 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	1,922,220	530,251	-	2,452,471
Office furniture and equipment	1,098,789	43,441	-	1,142,230
Trucks and equipment	1,161,644	146,417	-	1,308,061
Buses	758,120	54,229	-	812,349
Infrastructure	<u>1,942,823</u>	<u>361,284</u>	<u>-</u>	<u>2,304,107</u>
Total capital assets being depreciated	<u>12,606,382</u>	<u>1,135,621</u>	<u>-</u>	<u>13,742,004</u>
Less accumulated depreciation for				
Buildings	2,027,551	191,088	-	2,218,639
Building improvements	790,428	128,953	-	919,381
Office furniture and equipment	720,607	58,788	-	779,395
Trucks and equipment	613,562	94,646	-	708,208
Buses	540,288	28,004	-	568,292
Infrastructure	<u>835,450</u>	<u>173,505</u>	<u>-</u>	<u>1,008,955</u>
Total accumulated depreciation	<u>5,527,886</u>	<u>674,984</u>	<u>-</u>	<u>6,202,870</u>
Total capital assets being depreciated, net	<u>7,078,496</u>	<u>460,637</u>	<u>-</u>	<u>7,539,134</u>
Governmental Activities				
Capital Assets, Net	\$ <u>8,014,537</u>	\$ <u>460,637</u>	\$ <u>-</u>	\$ <u>8,475,175</u>

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

Governmental Activities	Depreciation
Town	\$ 336,144
Highways and Streets	134,103
Welfare Services	-
Mental Health	3,424
Senior Center	201,313
Total Governmental Activities	\$ <u>674,984</u>

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

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, 2017 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.

The following is a schedule of future minimum lease payments (FMLP) required in the above leases as of March 31, 2017:

<u>March 31,</u>		<u>FMLP</u>
2018	\$	10,000
2019		10,000
2020		10,000
2021		10,000
2022		10,000
Thereafter		10,000
Total	\$	<u>60,000</u>

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, 2017:

<u>March 31,</u>		<u>FMLR</u>
2018	\$	10,800
2019		-
2020		-
2021		-
2022		-
Thereafter		-
Total	\$	<u>10,800</u>

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.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

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.

Note 11 – Interfund Activity

Transfers In (Out)

Individual fund transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General (Town)	\$ -	\$ 1,165,000
Senior Services	225,000	50,000
Road and Bridge	-	250,000
Capital Projects	1,200,000	-
Nonmajor Governmental	40,000	-
Total	\$ <u>1,465,000</u>	\$ <u>1,465,000</u>

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

\$1,150,000 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. \$225,000 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. \$50,000 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, 2017, some line-item expenditures exceeded appropriations. In the General (Town) Fund, expenditures for legal services exceeded appropriations by \$32,895. This was due to higher than anticipated legal needs. In the Senior Services Fund, expenditures for programming exceeded appropriations by \$23,545. 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 \$39,289.

**Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017**

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 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.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

Note 13 – Retirement Fund Commitments (continued)

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries	31
Inactive, non-retired members	62
Active members	72
Total	<u>165</u>

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 member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2016 was 10.08%. For the fiscal year ended March 31, 2017, the Township contributed \$312,070 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, 2017, the Township recognized pension expense of \$432,605. At March 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 102,353	\$ (102,358)
Change in assumptions	98,005	8,844	89,161
Net difference between projected and actual earnings on pension plan investments	328,595	-	328,595
Pension Contributions made subsequent to December 31, 2016	80,547	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 507,147</u>	<u>\$ 111,197</u>	<u>\$ 395,950</u>

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

Note 13 – Retirement Fund Commitments (continued)

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:

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 206,565
2018	118,779
2019	76,786
2020	(6,180)
2021	-
Thereafter	-
Total	\$ 395,950

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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:	7.50%
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 2012). 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 2012). 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 2012). 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.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

Note 13 – Retirement Fund Commitments (Continued)

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% 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 3.78%, (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 7.50%.

Hanover Township
Notes to Financial Statements
For the Year Ended March 31, 2017

Note 13 – Retirement Fund Commitments (continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 7,494,037	\$ 6,294,864	\$ 1,199,173
Changes for the year:			
Service Cost	325,505	-	325,505
Interest on the Total Pension Liability	563,944	-	563,944
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(69,502)	-	(69,502)
Changes of Assumptions	(11,127)	-	(11,127)
Contributions - Employer	-	314,918	(314,918)
Contributions - Employees	-	140,815	(140,815)
Net Investment Income	-	437,086	(437,086)
Benefit Payments, including Refunds of Employee Contributions	(254,992)	(254,992)	-
Other (Net Transfer)	-	(32,850)	32,850
Net Changes	553,828	604,977	(51,149)
Balances at December 31, 2016	\$ 8,047,865	\$ 6,899,841	\$ 1,148,024

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 7.50%, 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 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 9,259,107	\$ 8,047,865	\$ 7,071,530
Plan Fiduciary Net Position	6,899,841	6,899,841	6,899,841
Net Pension Liability/(Asset)	\$ 2,359,266	\$ 1,148,024	\$ 171,689

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, 2017.

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, 2017

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 3,553,140	\$ 3,584,156
State replacement taxes	30,000	25,433
Investment income	10,000	10,243
Passport fees	60,000	137,737
Rental income	10,500	11,100
Youth Commission	116,000	111,715
Miscellaneous	22,501	24,569
Total revenues	<u>3,802,141</u>	<u>3,904,953</u>
Expenditures		
Current		
Town	2,220,413	2,192,696
Youth services	1,089,250	1,027,050
Community relations	239,505	239,914
Capital outlay	<u>110,000</u>	<u>112,066</u>
Total expenditures	<u>3,659,168</u>	<u>3,571,726</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>142,973</u>	<u>333,227</u>
Other Financing Sources (Uses)		
Transfers (out)	<u>(1,165,000)</u>	<u>(1,165,000)</u>
Total other financing sources (uses)	<u>(1,165,000)</u>	<u>(1,165,000)</u>
Net Change in Fund Balance	<u>\$ (1,022,027)</u>	(831,773)
Fund Balance, April 1		<u>2,876,626</u>
Fund Balance, March 31		<u>\$ 2,044,853</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, 2017

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 1,045,850	\$ 1,056,690
Program revenue	154,500	165,086
Intergovernmental	196,500	212,826
Investment income	1,500	1,288
Miscellaneous	<u>32,500</u>	<u>34,249</u>
 Total revenues	 <u>1,430,850</u>	 <u>1,470,139</u>
 Expenditures		
Senior center		
Administration	756,350	695,746
Programs and services	162,500	195,175
Nutrition	225,110	225,074
Transportation	<u>511,750</u>	<u>511,443</u>
 Total expenditures	 <u>1,655,710</u>	 <u>1,627,438</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(224,860)</u>	 <u>(157,299)</u>
 Other Financing Sources (Uses)		
Transfers in	225,000	225,000
Transfers (out)	<u>(50,000)</u>	<u>(50,000)</u>
 Total other financing sources (uses)	 <u>175,000</u>	 <u>175,000</u>
 Net Change in Fund Balance	 <u>\$ (49,860)</u>	 17,701
 Fund Balance, April 1		 <u>1,164,708</u>
 Fund Balance, March 31		 <u>\$ 1,182,409</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
Road and Bridge Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 897,876	\$ 877,195
Replacement taxes	20,000	24,182
Investment income	5,000	3,639
Miscellaneous	4,000	1,663
	<u>926,876</u>	<u>906,679</u>
Total revenues		
	<u>926,876</u>	<u>906,679</u>
Expenditures		
Highway and street maintenance		
Maintenance of roads	850,000	428,091
Administration	146,650	136,119
	<u>996,650</u>	<u>564,210</u>
Total highway and street maintenance		
	<u>996,650</u>	<u>564,210</u>
Capital outlay	606,500	169,233
	<u>1,603,150</u>	<u>733,443</u>
Total expenditures		
	<u>1,603,150</u>	<u>733,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(676,274)</u>	<u>173,236</u>
Other Financing Sources (Uses)		
Transfers (out)	<u>(250,000)</u>	<u>(250,000)</u>
	<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>\$ (926,274)</u>	(76,764)
Fund Balance, April 1		<u>878,112</u>
Fund Balance, March 31		<u>\$ 801,348</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 1,083,165	\$ 1,031,530
Replacement taxes	12,000	11,517
Investment income	1,500	1,028
Rental income	12,000	11,800
Miscellaneous	<u>13,500</u>	<u>13,953</u>
Total revenues	<u>1,122,165</u>	<u>1,069,828</u>
Expenditures		
Mental Health		
Service contracts by agency	1,280,000	973,183
Administration	102,100	67,226
Building occupancy	<u>45,500</u>	<u>39,780</u>
Total expenditures	<u>1,427,600</u>	<u>1,080,189</u>
Net Change in Fund Balance	\$ <u><u>(305,435)</u></u>	(10,361)
Fund Balance, April 1		<u>870,211</u>
Fund Balance, March 31		\$ <u><u>859,850</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, 2017

Calendar year ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$ 325,505	\$ 310,457	\$ 347,401	-	-	-	-	-	-	-
Interest on total pension liability	563,944	522,203	467,444	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(69,502)	(25,587)	(86,141)	-	-	-	-	-	-	-
Assumption changes	(11,127)	10,434	246,418	-	-	-	-	-	-	-
Benefit payments and refunds	(254,992)	(261,885)	(191,193)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	553,828	555,622	783,929	-	-	-	-	-	-	-
Total Pension Liability - Beginning	7,494,037	6,938,415	6,154,486	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 8,047,865	\$ 7,494,037	\$ 6,938,415	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer contributions	\$ 314,918	\$ 313,656	\$ 311,833	-	-	-	-	-	-	-
Employee contributions	140,815	137,914	137,626	-	-	-	-	-	-	-
Pension plan net investment income	437,086	31,852	352,872	-	-	-	-	-	-	-
Benefit payments and refunds	(254,992)	(261,885)	(191,193)	-	-	-	-	-	-	-
Other	(32,850)	(202,323)	8,852	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	604,977	19,214	619,990	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	6,294,864	6,275,650	5,655,660	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 6,899,841	\$ 6,294,864	\$ 6,275,650	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	1,148,024	1,199,173	662,765	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage										
of Total Pension Liability	85.74%	84.00%	90.45%	-	-	-	-	-	-	-
Covered Valuation Payroll	\$ 3,124,267	\$ 3,055,773	\$ 2,875,349	-	-	-	-	-	-	-
Net Pension Liability as Percentage										
of Covered Valuation Payroll	36.75%	39.24%	23.05%	-	-	-	-	-	-	-

Schedule to be built prospectively from 2014.

(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, 2017**

<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%
2016	314,926 *	314,918	8	3,124,267	10.08%

* Estimated based on contribution rate of 10.08% and covered valuation payroll of \$3,124,267.

Schedule to be built prospectively from 2014.

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

Hanover Township
Notes to Required Supplementary Information
For the Year Ended March 31, 2017

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 2016 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): 27-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 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method:	5-Year smoothed market; 20% corridor
Wage Growth:	3.50%

Hanover Township
Notes to Required Supplementary Information
For the Year Ended March 31, 2017

Note 2 – Pension Plan (Continued)

Price Inflation:	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, 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 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 2012). 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 2012). 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 2012). 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.

* Based on Valuation Assumptions used in the December 31, 2014 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, 2017

	Original and Final Budget	Actual
Town		
Compensation of officials	\$ 98,802	\$ 97,344
Town Hall Administration		
Community affairs	10,000	7,616
Consulting	10,000	4,111
Education and training	18,000	17,409
Emergency contingency fund	50,000	-
Financial administration	64,000	60,343
Passport services	6,000	12,120
Legal notices	1,000	390
Health insurance	39,000	38,660
Dental, vision & life insurance	3,125	2,637
Unemployment	3,900	3,412
IMRF expense	21,000	17,188
FICA expense	13,500	10,763
Memberships, subscriptions, and publications	12,000	12,980
Miscellaneous	10,000	8,772
Office supplies	6,000	6,200
Postage	3,000	3,129
Pre-employment charges	600	77
Town Office salaries	340,000	339,938
Printing	4,500	5,626
Committee on youth	3,000	2,214
Environmental sustainability	1,000	200
Travel expenses	5,000	4,915
Total town hall administration	624,625	558,700
Town Hall		
Equipment rental	2,600	1,844
Internet access	3,400	3,250
Telephone	30,000	37,021
Utilities	17,000	16,732
Total town hall	53,000	58,847
Legal and Audit		
Auditing	11,000	11,300
Legal services	120,000	152,895
Total legal and audit	131,000	164,195
Insurance and Employee Benefits		
Employee assistance program	1,600	1,451
Employee recognition	5,000	3,850
Employee wellness	8,000	6,165
Flex Plan	4,000	3,527
General insurance	150,000	176,098
Total insurance and employee benefits	168,600	191,091

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Town (Continued)		
Pantry		
Salaries	40,500	40,024
Utilities	7,500	9,106
Health insurance	17,000	16,683
Dental, vision & life insurance	600	587
Unemployment	400	350
IMRF expense	2,100	1,719
FICA expense	1,250	997
Total pantry	69,350	69,466
Veteran's Affairs		
Salaries	20,900	17,173
Travel expense	250	257
Supplies	300	301
Unemployment	390	341
FICA expense	640	510
Veteran's Honor Roll	4,000	3,760
Training	1,000	835
Printing	400	77
Postage	430	241
IMRF expense	1,053	862
Total veteran's affairs	29,363	24,357
Assessor's Office		
Dues, subscriptions, and publications	2,695	3,107
Equipment purchases	3,430	947
Health Insurance	11,600	28,148
Dental, vision & life insurance	1,750	1,742
Unemployment	1,200	1,050
IMRF expense	6,050	5,508
FICA expense	3,700	3,225
Miscellaneous	1,176	776
Communications	1,000	363
Office supplies	4,410	3,652
Printing	1,225	1,218
Professional services	980	-
Salaries	120,232	120,048
Training	3,430	1,792
Travel expense	3,234	582
Total assessor's office	166,112	172,158
Town Facilities and Maintenance		
Building contracts	12,500	18,349
Building maintenance - Izaak	4,000	2,282
Building maintenance - Astor	1,500	1,622
Building maintenance - Senior	9,000	6,577
Building maintenance - Town	7,500	3,994
Cell phone/communications	1,500	700
Education and training	1,000	(328)
Equipment maintenance - Izaak	4,000	632
Equipment maintenance - Astor	1,200	1,944
Equipment maintenance - Senior	12,000	15,986
Equipment maintenance - Town	9,000	7,821
Equipment rental	2,000	-
Grounds maintenance	11,000	8,216

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Town (Continued)		
Town facilities and maintenance (Continued)		
Health insurance	46,000	43,183
Dental, vision & life insurance	2,900	2,920
Unemployment	1,950	1,706
IMRF expense	13,759	10,334
FICA expense	8,354	6,243
Housekeeping contract	47,500	45,148
Janitorial supplies - Izaak	800	598
Janitorial supplies - Astor	1,000	721
Janitorial supplies - Senior	5,000	3,534
Janitorial supplies - Town	4,000	5,563
Miscellaneous	1,000	146
Office supplies	400	320
Salaries	273,000	278,198
Seasonal projects assistance	4,500	14,534
Trash removal - Senior	2,500	3,020
Trash removal - Town	2,500	2,944
Trash removal - Astor	2,500	2,747
Trash removal - Izaak	1,200	1,808
Uniforms	1,000	1,551
Vehicle fuel - Town	6,500	5,868
Vehicle maintenance - Town	5,000	5,656
	<u>507,563</u>	<u>504,537</u>
Total town facilities and maintenance		
	<u>507,563</u>	<u>504,537</u>
Emergency Services		
Communications	9,000	9,266
Education/training	10,000	5,911
Emergency Ops Center	7,000	349
Equipment	22,000	18,605
Health insurance	16,700	21,566
Dental, vision & life insurance	580	784
Unemployment	390	341
IMRF expense	2,060	1,686
FICA expense	1,250	997
Miscellaneous	1,000	881
Office supplies	750	1,435
Postage	100	132
Pre-volunteer screening	500	459
Printing	1,000	458
Salaries	40,800	41,350
Travel	2,500	37
Uniforms	7,000	4,819
Vehicle fuel and maintenance	8,000	12,832
Volunteer appreciation	3,500	5,140
	<u>134,130</u>	<u>127,048</u>
Total emergency services		
	<u>134,130</u>	<u>127,048</u>

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Town (Continued)		
Community Health		
Communications	1,750	758
Community affairs	3,325	1,942
Crisis care	2,000	1,565
Dues, subscriptions, and publications	275	253
Furniture and computer equipment	2,500	2,470
Health Insurance	20,300	20,825
Dental, vision & life insurance	1,750	1,416
Unemployment	1,560	1,365
IMRF expense	8,796	7,199
FICA expense	5,340	4,258
License/professional insurance	300	216
Medical supplies	7,350	6,979
Miscellaneous	1,000	335
Office supplies	2,000	1,205
Postage	600	230
Printing	1,800	1,425
Professional services	1,500	1,095
Salaries	174,522	170,883
Travel	1,200	534
Total community health	237,868	224,953
Total town	2,220,413	2,192,696
Youth Services		
Answering service	1,200	1,200
Books and journals	400	-
Cellphones	1,500	1,576
Community affairs	3,100	2,464
Consulting fees	3,600	2,700
Dues and subscriptions	500	367
Education and training	8,850	7,417
Equipment and furniture	5,000	8,144
Equipment maintenance	2,000	167
Health insurance	111,350	113,014
Dental, vision and life insurance	8,200	7,426
Unemployment	8,400	7,350
IMRF expense	41,100	34,889
FICA expense	24,900	19,832
Miscellaneous	700	125
Office supplies	4,000	3,903
Postage	600	284
Printing	2,300	3,202
Professional services	1,200	1,019
Program supplies	2,000	1,432
Psychiatric backup	9,000	6,805
Recruitment and pre-employment	1,800	1,338
Salaries	730,200	713,871
Intern Stipends	3,500	240

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
General (Town) Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Youth Services (Continued)		
Open gym program	81,600	62,299
Transportation	1,750	-
Travel	6,500	5,219
Tutoring	24,000	20,767
	<u>1,089,250</u>	<u>1,027,050</u>
Total youth services		
Community Relations		
Salaries	104,500	105,733
Education and training	2,200	1,877
Printing	800	565
Postage	450	207
Equipment and furniture	2,300	2,161
Office supplies	900	859
Satellite office programs	1,500	1,528
Satellite office utilities	6,000	7,552
Satellite office phone and internet	3,920	3,993
Travel	1,000	967
Communications	64,000	64,808
Community service awards	2,000	2,274
Historical maker program	2,400	1,487
Dues and subscriptions	210	390
Community festivals	13,000	13,000
Health insurance	23,900	23,839
Dental, vision and life insurance	1,160	1,113
Unemployment	800	700
IMRF expense	5,267	4,311
FICA expense	3,198	2,550
	<u>239,505</u>	<u>239,914</u>
Total community relations		
Capital Outlay		
Equipment	20,000	17,717
Facility lease	20,000	20,000
Computer equipment and software	70,000	74,349
	<u>110,000</u>	<u>112,066</u>
Total capital outlay		
Total Expenditures	<u>\$ 3,659,168</u>	<u>\$ 3,571,726</u>

Hanover Township
Schedule of Expenditures - Budget and Actual
Senior Services Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Senior Center		
Administration		
Community affairs	\$ 1,000	\$ 1,997
Contingency	25,000	-
Dues and subscriptions	2,800	1,681
Education and training	3,500	4,138
Equipment purchases/rental/repair	10,000	11,524
Health Insurance	88,450	86,173
Dental, vision & life insurance	5,000	4,065
Unemployment	6,000	5,250
IMRF Expense	25,000	20,462
FICA Expense	15,000	11,959
Miscellaneous	1,000	1,444
Postage	4,000	3,835
Printing	4,000	6,594
Recruitment	1,000	959
Salaries	488,500	474,023
Supplies	9,000	9,427
Telephone and high speed internet	2,100	1,870
Travel	2,000	5,368
Utilities	63,000	44,977
Total administration	756,350	695,746
Social Services		
Communications	12,000	12,372
Computer instruction	1,000	(264)
Senior Assistance	3,000	2,150
Programming	97,000	119,495
Social services	1,500	6,165
Visual arts	16,000	17,784
Volunteer services	14,000	22,221
Psychiatric services	16,000	13,009
Weekend programming	2,000	2,243
Total social services	162,500	195,175

(Continued)

Hanover Township
Schedule of Expenditures - Budget and Actual (Continued)
Senior Services Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Nutrition		
Congregate salaries	56,000	63,525
Congregate food	50,000	46,352
Event catering	2,500	5,733
Congregate equipment	2,000	813
Congregate supplies	4,000	6,128
Training	500	336
Recruitment	500	134
Home delivered meals salaries	33,150	34,126
Home delivered meals benefits	6,630	-
Home delivered meals food	50,000	44,841
Home delivered meals equipment	500	966
Home delivered meals supplies	3,800	7,652
Health insurance	9,800	9,877
Dental, vision and life insurance	580	600
Unemployment	650	569
IMRF expense	2,800	2,152
FICA expense	1,700	1,270
	<u>225,110</u>	<u>225,074</u>
Total nutrition	<u>225,110</u>	<u>225,074</u>
Transportation		
Alternative transportation	5,000	880
Fuel	42,500	31,581
Health Insurance	53,100	53,676
Dental, vision and life insurance	4,500	4,285
Unemployment	3,000	2,625
IMRF expense	15,000	11,527
FICA expense	9,500	7,099
Recruitment	1,000	2,931
Salaries	303,000	312,578
Telephone	6,400	6,092
Training	2,000	1,682
Uniforms	1,200	1,426
Dispatch software	18,550	17,328
Volunteer expenses	2,000	27
Vehicle maintenance	45,000	57,706
	<u>511,750</u>	<u>511,443</u>
Total transportation	<u>511,750</u>	<u>511,443</u>
Total Expenditures	<u>\$ 1,655,710</u>	<u>\$ 1,627,438</u>

Hanover Township
Schedule of Expenditures - Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Highways and Streets		
Maintenance of roads		
Bridge repair and maintenance	\$ 10,000	\$ -
Contract work	450,000	183,093
Controlled substance testing	500	360
Engineering	25,000	19,404
Gasoline	20,000	8,302
Maintenance supplies	2,500	-
Operating supplies and materials	35,000	11,542
Salaries	182,000	153,595
Salt	100,000	29,606
Signs, stripping, and tree removal	5,000	4,726
Street lighting	20,000	17,463
	<u>850,000</u>	<u>428,091</u>
Total maintenance of roads		
Administration		
Accounting	2,500	2,500
Community affairs	20,000	48,500
Dues, subscriptions, and publications	1,000	150
Dental, vision & life insurance	1,250	1,208
FICA expense	14,000	10,712
Health insurance	15,500	18,723
IMRF expense	18,000	12,708
Unemployment compensation	1,200	1,050
Insurance	32,000	23,091
Legal	20,000	6,908
Miscellaneous	2,000	608
Office supplies	2,500	427
Postage	1,500	650
Printing	1,000	276
Service charges	200	83
Telephone	3,500	2,819
Training and conferences	1,000	-
Travel expense	1,500	1,102
Uniforms and safety equipment	1,500	286
Utilities	6,500	4,318
	<u>146,650</u>	<u>136,119</u>
Total administration		
Total highway and street maintenance	<u>996,650</u>	<u>564,210</u>
Capital Outlay		
Machine rental	1,500	11
Equipment purchase	100,000	121,078
Maintenance - vehicles and equipment	60,000	48,144
Building and permanent improvements	90,000	-
Building maintenance	5,000	-
Land/building acquisition and improvements	350,000	-
	<u>606,500</u>	<u>169,233</u>
Total capital outlay		
Total Expenditures	<u>\$ 1,603,150</u>	<u>\$ 733,443</u>

Hanover Township
Schedule of Expenditures - Budget and Actual
Mental Health Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Mental Health		
Service contracts/grants by agency		
AID case management	\$ 5,200	\$ 5,200
AID supportive employment	40,200	40,200
Alexian Brothers - outpatient psy	23,800	23,800
HTSS - senior mh	40,000	40,000
Bartlett Learning Center	7,200	4,652
Boys and Girls Club	5,500	5,500
CAC Family Support	3,300	3,300
CAC Safe from the Start	18,000	18,000
Capital Grant Fund	40,000	26,201
Service contracts	18,500	18,500
Catholic Charities Caregivers	3,500	3,500
CCC Strategies for Safety	6,000	6,000
Centro de Informacion	32,800	32,800
Challenge Grant Fund	40,000	20,508
Clearbrook Children's program	7,500	7,500
Clearbrook Residential	5,000	5,000
Clearbrook day services	4,200	4,200
Community Crisis Center	65,000	65,000
Contract support services	150,000	70,000
Little City In-Home Respite	3,000	280
Day One Network	7,500	7,500
Easter Seals DuPage	55,000	55,000
Easter Seals Family Support	10,000	7,910
Ecker Center/PEP	8,100	8,100
Ecker Therapy Services	81,000	81,000
Epilepsy Foundation	1,000	1,000
FSA Youth	22,000	22,000
FSA Senior	12,000	12,000
HTYFS Alt. to Suspension	25,000	25,000
HTYFS Interventionist	50,000	50,000
HTYFS Psychiatric Back-Up	9,000	6,645
Journey Hope Center	4,000	4,000
Kenneth Young Center - SASS	9,500	9,500
Leyden FS - detox/rehab	50,000	50,000
Maryville Academy Casa Salama	25,000	25,000
MI-drug/medical tests fund	5,000	-
Mental Health Housing	150,000	-
Northwest Casa	8,200	8,034
Open Door Clinic	5,000	5,000
AID transportation	29,000	28,800
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, 2017

	Original and Final Budget	Actual
Mental Health (Continued)		
Service contracts/grants by agency (Continued)		
RENZ outpatient	60,000	60,000
Shelter Inc Healthy Families	12,500	12,500
Staff Development Grant Fund	30,000	9,584
Summit Center	12,000	12,000
Bridge YFS Crisis Intervention	10,500	10,500
Tide Transportation	15,000	12,449
Veteran's Mental Health	20,000	14,520
WINGS transitional shelter	10,000	10,000
	<u>1,280,000</u>	<u>973,183</u>
Total service contracts/grants by agency		
	<u>1,280,000</u>	<u>973,183</u>
Administration		
Community relations	1,000	451
Consultants	8,000	-
Dues	2,000	490
Employee insurance	7,150	3,602
Equipment/database	2,000	710
FICA expense	4,350	3,194
Hanover Township services	4,500	4,500
IMRF expense	5,700	4,109
Legal	4,000	-
Miscellaneous	500	706
Postage	500	241
Printing	1,500	416
Salaries	56,500	45,603
Special events	1,000	800
Subscriptions and publications	150	-
Supplies	1,000	314
Travel	1,000	207
Training	750	1,445
Unemployment compensation	500	438
	<u>102,100</u>	<u>67,226</u>
Total administrative planning and development		
	<u>102,100</u>	<u>67,226</u>
Building Occupancy Expenses		
Agency support services	9,500	11,908
Building maintenance	5,500	4,130
Capital improvements	5,000	1,712
Janitorial	5,500	4,968
Rent	10,000	10,000
Telephone systems maintenance	2,000	-
Utilities	8,000	7,062
	<u>45,500</u>	<u>39,780</u>
Total building occupancy expenses		
	<u>45,500</u>	<u>39,780</u>
Total Expenditures	\$ <u>1,427,600</u>	\$ <u>1,080,189</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Intergovernmental	\$ <u>1,000</u>	\$ <u>-</u>
Total revenues	<u>1,000</u>	<u>-</u>
Expenditures		
Capital outlay	<u>1,560,000</u>	<u>572,620</u>
Total expenditures	<u>1,560,000</u>	<u>572,620</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,559,000)</u>	<u>(572,620)</u>
Other Financing Sources (Uses)		
Transfers in	<u>1,200,000</u>	<u>1,200,000</u>
Total other financing sources (uses)	<u>1,200,000</u>	<u>1,200,000</u>
Net Change in Fund Balance	\$ <u><u>(359,000)</u></u>	627,380
Fund Balance, April 1		<u>392,730</u>
Fund Balance, March 31		\$ <u><u>1,020,110</u></u>

**Hanover Township
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2017**

	<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>
Assets					
Cash and investments	\$ 546,670	\$ 124,977	\$ 79,252	\$ 288,470	\$ 1,039,369
Receivables					
Property Taxes	<u>185,809</u>	<u>90,438</u>	<u>72,743</u>	<u>-</u>	<u>348,990</u>
Total Assets	<u>\$ 732,479</u>	<u>\$ 215,415</u>	<u>\$ 151,995</u>	<u>\$ 288,470</u>	<u>\$ 1,388,359</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 910	\$ -	\$ -	\$ -	\$ 910
Accrued payroll	3,789	4,812	3,742	-	12,343
Unearned revenue	<u>183,177</u>	<u>89,252</u>	<u>71,790</u>	<u>-</u>	<u>344,219</u>
Total liabilities	<u>187,876</u>	<u>94,064</u>	<u>75,532</u>	<u>-</u>	<u>357,472</u>
Fund Balances					
Restricted for general assistance	544,603	-	-	-	544,603
Restricted for employee retirement	-	121,351	76,463	-	197,814
Assigned for vehicle replacement	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,470</u>	<u>288,470</u>
Total fund balances	<u>544,603</u>	<u>121,351</u>	<u>76,463</u>	<u>288,470</u>	<u>1,030,887</u>
Total Liabilities and Fund Balances	<u>\$ 732,479</u>	<u>\$ 215,415</u>	<u>\$ 151,995</u>	<u>\$ 288,470</u>	<u>\$ 1,388,359</u>

Hanover Township
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2017

	Special Revenue			Capital Projects	
	General Assistance	Illinois Municipal Retirement	Social Security	Vehicle Replacement	Total
Revenues					
Taxes	\$ 386,085	\$ 180,061	\$ 142,872	\$ -	\$ 709,018
Intergovernmental	7,858	-	-	-	7,858
Investment income	682	104	80	407	1,273
Miscellaneous	80,337	-	-	9,878	90,215
Total revenues	<u>474,962</u>	<u>180,165</u>	<u>142,952</u>	<u>10,285</u>	<u>808,364</u>
Expenditures					
Current					
Town	169,745	182,412	145,841	-	497,998
Home relief	119,100	-	-	-	119,100
Employment services	-	-	-	-	-
Capital outlay	-	-	-	88,815	88,815
Total expenditures	<u>288,845</u>	<u>182,412</u>	<u>145,841</u>	<u>88,815</u>	<u>705,913</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>186,117</u>	<u>(2,247)</u>	<u>(2,889)</u>	<u>(78,530)</u>	<u>102,451</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	40,000	40,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Net Changes in Fund Balances	186,117	(2,247)	(2,889)	(38,530)	142,451
Fund Balances, April 1	<u>358,486</u>	<u>123,598</u>	<u>79,352</u>	<u>327,000</u>	<u>888,436</u>
Fund Balances, March 31	<u>\$ 544,603</u>	<u>\$ 121,351</u>	<u>\$ 76,463</u>	<u>\$ 288,470</u>	<u>\$ 1,030,887</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Assistance Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 372,893	\$ 382,246
Replacement taxes	4,000	3,839
Intergovernmental	15,000	7,858
Investment income	1,000	682
Miscellaneous	5,001	80,337
	<u>397,894</u>	<u>474,962</u>
Total revenues	<u>397,894</u>	<u>474,962</u>
Expenditures		
Town		
Salaries	130,000	127,773
Office supplies	3,250	4,073
Equipment	4,500	5,266
Travel and training	2,000	2,604
Postage	250	32
Printing	1,500	1,827
Dues and publications	500	359
Community affairs	1,000	1,377
Professional services	1,500	3,333
Volunteer appreciation	1,750	1,908
Miscellaneous	500	292
Health insurance	13,200	10,499
Dental, vision and life insurance	1,200	1,111
Unemployment	800	700
IMRF expense	6,600	5,402
FICA expense	4,000	3,189
	<u>172,550</u>	<u>169,745</u>
Total town	<u>172,550</u>	<u>169,745</u>
Home Relief		
Rent	134,000	71,355
Utilities	22,000	6,114
Personal essentials	24,000	8,894
Travel	10,000	6,465
Medical	25,000	-
Burial	1,500	-
Catastrophic insurance premium	3,500	3,175
Emergency assistance	50,000	22,897
Miscellaneous	100	200
	<u>270,100</u>	<u>119,100</u>
Total home relief	<u>270,100</u>	<u>119,100</u>
Total expenditures	<u>442,650</u>	<u>288,845</u>
Net Change in Fund Balance	<u><u>\$ (44,756)</u></u>	<u><u>186,117</u></u>
Fund Balance, April 1		<u>358,486</u>
Fund Balance, March 31		<u><u>\$ 544,603</u></u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Illinois Municipal Retirement Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 177,500	\$ 180,061
Investment income	<u>100</u>	<u>104</u>
Total revenues	<u>177,600</u>	<u>180,165</u>
Expenditures		
Town		
IMRF	<u>177,600</u>	<u>182,412</u>
Total expenditures	<u>177,600</u>	<u>182,412</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>-</u>	<u>(2,247)</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>	<u>(2,247)</u>
Fund Balance, April 1		<u>123,598</u>
Fund Balance, March 31		<u>\$ 121,351</u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Social Security Fund
For the Year Ended March 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Taxes		
Property taxes	\$ 142,000	\$ 142,872
Investment income	<u>100</u>	<u>80</u>
Total revenues	<u>142,100</u>	<u>142,952</u>
Expenditures		
Town		
Social security	<u>142,100</u>	<u>145,841</u>
Total expenditures	<u>142,100</u>	<u>145,841</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>-</u>	<u>(2,889)</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>	<u>(2,889)</u>
Fund Balance, April 1		<u>79,352</u>
Fund Balance, March 31		\$ <u><u>76,463</u></u>

Hanover Township
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Vehicle Replacement Fund
For the Year Ended March 31, 2017

	Original and Final Budget	Actual
Revenues		
Investment income	\$ 500	\$ 407
Miscellaneous		
Bus fares	<u>8,000</u>	<u>9,878</u>
Total revenues	<u>8,500</u>	<u>10,285</u>
Expenditures		
Capital outlay	<u>110,000</u>	<u>88,815</u>
Total expenditures	<u>110,000</u>	<u>88,815</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(101,500)</u>	<u>(78,530)</u>
Other Financing Sources (Uses)		
Transfers in	<u>40,000</u>	<u>40,000</u>
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>
Net Change in Fund Balance	<u><u>\$ (61,500)</u></u>	(38,530)
Fund Balance, April 1		<u>327,000</u>
Fund Balance, March 31		\$ <u><u>288,470</u></u>