

VILLAGE OF HANOVER PARK, ILLINOIS



Hanover Park^{USA}

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2025

VILLAGE OF HANOVER PARK, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2025

Prepared by Department of Finance

Remy Navarrete
Director of Finance

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Hanover Park including:

- List of Principal Officials
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting
- Letter of Transmittal

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2025

VILLAGE BOARD OF TRUSTEES

Rodney S. Craig	Village President
Kristy Merrill	Village Clerk
Troy Albuck	Village Trustee
Yasmeen Bankole	Village Trustee
Jenni Broccolino	Village Trustee
Lisa Feliciano-Gutierrez	Village Trustee
Jon Kunkel	Village Trustee
Herbert Porter	Village Trustee

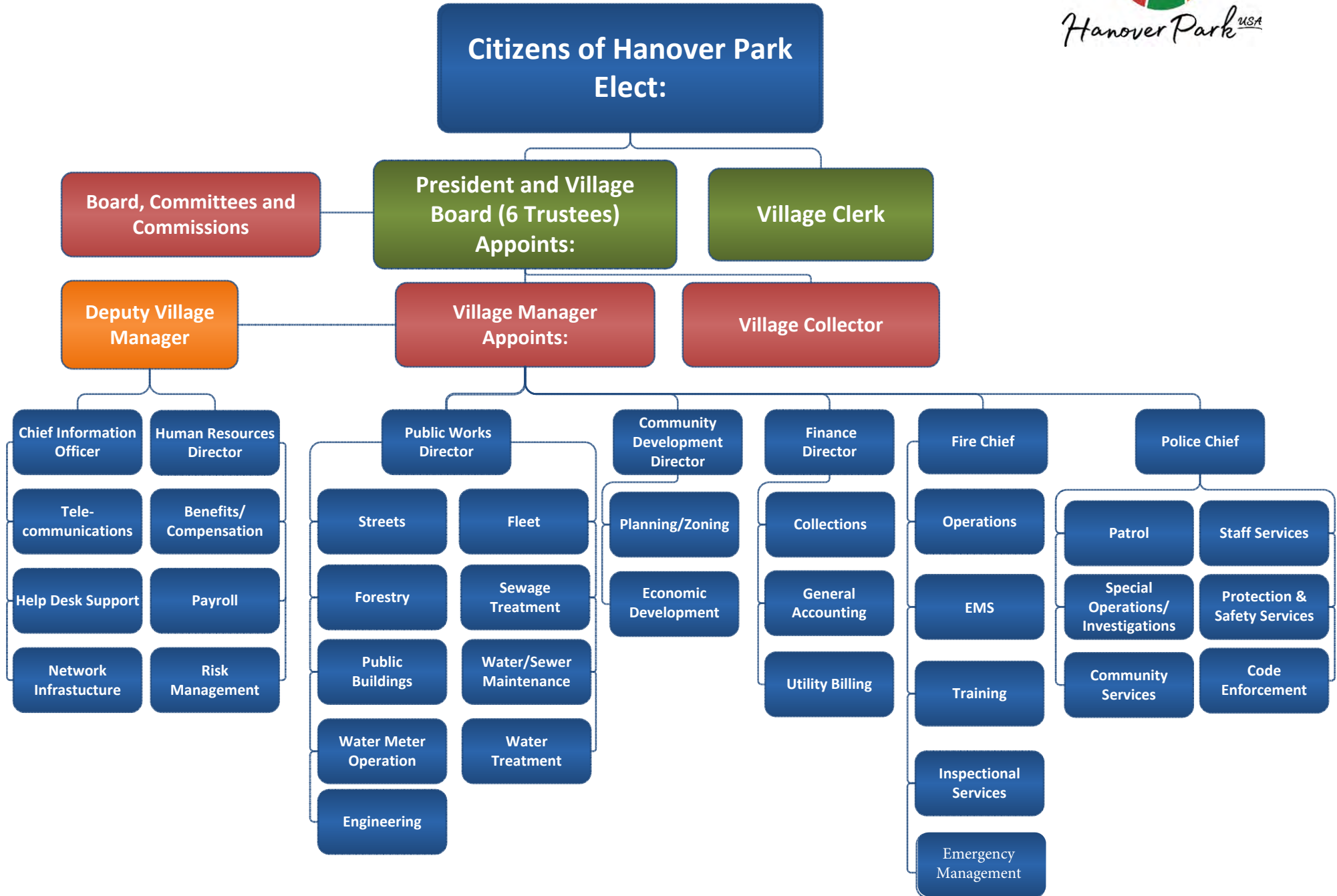
ADMINISTRATIVE

Courtney Sage	Interim Village Manager
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VILLAGE DEPARTMENTS

Eric Fors	Fire Chief
Jed Gerstein	Chief Information Officer
Shubhra Govind	Community & Economic Development Director
Barry Kurcz	Human Resources Director
Andy Johnson	Police Chief
T.J. Moore	Public Works Director
Remy Navarrete	Finance Director

Village of Hanover Park – Table of Organization





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Hanover Park
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Executive Director/CEO



Village of Hanover Park Administration

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

hpil.org

Village President
Rodney S. Craig

Village Clerk
Kristy Merrill

Trustees
Troy Albuck
Yasmeen Bankole
Jenni Broccolino
Liza Gutierrez
Jon Kunkel
Herb Porter

Interim Village Manager
Courtney Sage

June 25, 2026

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

The Annual Comprehensive Financial Report (ACFR) of the Village of Hanover Park for the fiscal year ending December 31, 2025, is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally accepted auditing standards (GAAS). It includes all the accounts and funds of the Village to be completed within six months after the end of the fiscal year. The Village is required to issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP). This report presents a comprehensive picture of the Village's financial activities and has been published to fulfill the requirement for the fiscal year ending December 31, 2025.

The financial report consists of management's representations concerning the finances of the Village of Hanover Park. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities are included. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Hanover Park's financial statements in accordance with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the Village's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Village's financial statements have been audited by Sikich CPA LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Hanover Park are free from material misstatement. The independent auditor issued an unmodified ("clean") opinion on the Village's financial statements for the year ending December 31, 2025. The independent auditor's report is in the beginning of the financial section of this report.

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

Profile of the Village of Hanover Park

The Village of Hanover Park was incorporated in 1958 and operates under the Council-Manager form of government. The Village is a home-rule community as defined by the Illinois State Constitution. The Village is a residential community, with 99.36 miles of streets, located approximately 30 miles northwest of downtown Chicago and encompasses an area of approximately 7 square miles, with 2.75 square miles within Cook County and 4.25 miles within DuPage County. The Village's population, per the 2020 census, is 37,470.

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

The Village of Hanover Park provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, sidewalks, and other infrastructure, Village planning and zoning, and general administrative services. The Village also operates water and sewer utilities and a municipal commuter parking lot.

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

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

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

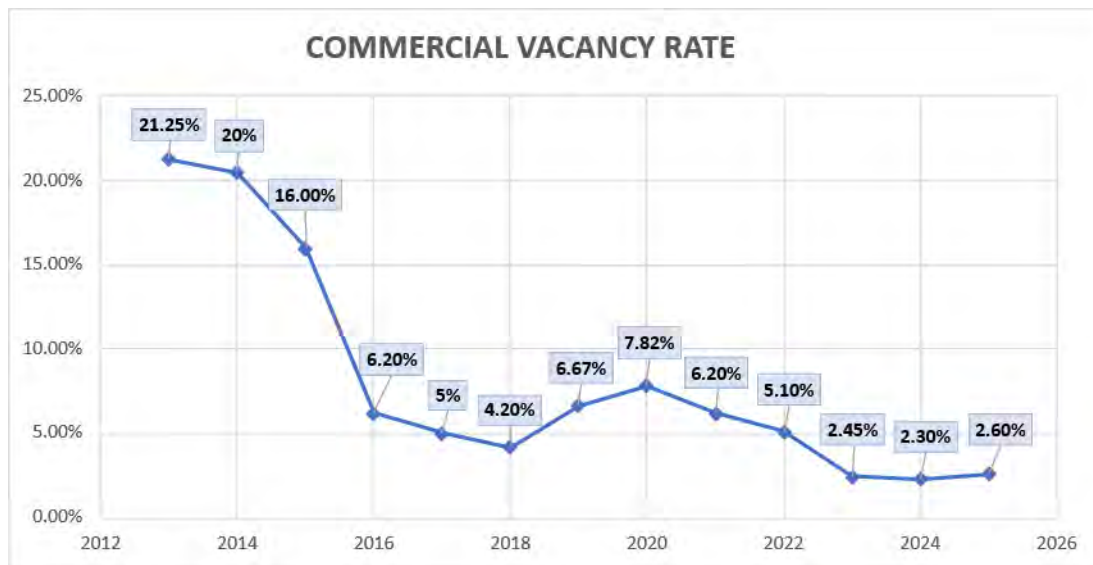
There were 206 full-time positions and 40 part-time positions, excluding seasonal workers, in the Fiscal Year 2025 annual budget. There are six different labor unions that represent sworn police officers and sergeants, civilian police employees, firefighters, part-time firefighters, and public works employees.

Local Economy

The Village of Hanover Park is home to more than 480 businesses, ranging from large international businesses to ‘mom-and-pop’ shops. There is more than 5,000,000 sq. ft. of Class A industrial development located in three Business Parks within the Village and 23 shopping centers ranging in size from 6,000 sq. ft. to 200,000 sq. ft. Over 60 food establishments are located within the Village including family friendly, ethnic, and fast-food restaurants. We continue to expand our options for a ‘global dining’ experience, in keeping with our tagline of “America’s Global Village”. Twenty-seven new businesses opened in 2025, twelve of which were restaurants with more planned or under construction for 2026. New businesses included a video production studio, Chipotle, and a Korean BBQ restaurant. The Village saw an increase in development interest in 2025, including approval for three Village Center TOD projects, for a total of 389 approved units.

In 2025, the Village issued permits for over \$20M of private investment made in the business community, a substantial increase from \$9.5M in 2024. This includes a new self-storage facility, several industrial renovations, and a new restaurant building. Several of our industrial businesses undertook renovations and buildouts, including Forge Virtual Studios (new business), and Borg Warner.

The Village’s commercial vacancy rate decreased from 21.25% in 2013 to 6.00% at the end of 2025. Our industrial and office vacancies continue to remain low.



There was an additional \$12.8 million permitted for residential investment. This includes \$1.4 million in comprehensive remodels and \$1.13 million in new construction for 3 new single-family houses. Permits were issued for \$3.8 million in roof replacement alone. Hanover Park has seen increasing investment in single-family houses.

An estimated \$187 million of real estate transfers took place in Hanover Park in 2025, including \$96 million of non-residential property. Of this, two were industrial zoned properties valued at more than \$60 million.

Hanover Park’s labor market remains strong. Wage growth in 2025 was 2.6% exceeding DuPage County’s average. Employment increased by 5.00% on par with the State average. Average salaries exceed both the State and National averages.

The comparison of the following key revenues for the General Fund operating account is as follows:

- **Property Taxes** - the Village collected \$11,882,511 or 99.46% of the budgeted amount. Due to timing on collection and distribution, this revenue decreased by \$64,385 from budget to actual in FY2025.
- **Home Rule Sales Tax** - the Village collected \$9,937,791 or 124.47% of the budgeted amount. This increase by \$1,953,818 from budget to actual in FY2025 is attributed to economic conditions, including stable consumer demand, the effects of inflation on the pricing of goods, and corresponding changes in consumer purchasing power. This tax is not assessed on food, prescription medication, and registered/titled property purchases (i.e., vehicle). It is often less than the local share of the basic sales tax.
- **Real Estate Transfer Tax** -the Village collected \$564,876 or 112.98% of the budgeted amount. This is an increase of \$64,876 from budget to actual in FY2025, due to higher number of property sales during the year. This is an imposed tax of \$1.50 for each \$500 on the transfer of title of real estate property located in the Village as evidenced by the recordation of a deed.
- **Telecommunication Tax** - the Village collected \$269,535 or 107.81% of the budgeted amount. This is an increase of \$19,535 from budget to actual in FY2025. The historical account data continued to decrease due to consumers changing to data plans for cell service which are not taxable.
- **Natural Gas Tax** - the Village collected \$419,762 or 109.03% of the budgeted amount. This is an increase of \$34,762 from budget to actual in FY2025. This tax is generated based on actual usage and largely dependent on fluctuations in temperature. The natural gas tax rate is \$0.03 cents per therm, effective January 1, 2018.
- **Electric Tax** - the Village collected \$897,406 or 103.15% of the budgeted amount. This is an increase of \$27,406 from budget to actual in FY2025. Similar to the Natural Gas Tax, this tax is generated based on actual usage and largely dependent on fluctuation in temperatures and population.
- **Food and Beverage Tax** - the Village collected \$1,931,368 or 107.30% of the budgeted amount. This is an increase of \$131,368 from budget to actual in FY2025. This is an imposed tax of 3% upon the purchase of alcoholic liquor, food, and beverage at any retail food facility within the Village.
- **Municipal Automobile Rental Tax** - the Village collected \$15,792 or 101.88% of the budgeted amount. This reflects an increase of \$292 from the FY2025 budgeted revenue. This revenue is generated from taxes imposed on the rental price of automobiles rented under lease terms of one year or less.
- **Cannabis Use Tax** - the Village collected \$56,541 or 94.24% of the budgeted amount. This reflects a decrease of \$3,459 from the FY2025 budgeted revenue. This revenue is derived from the State excise tax imposed on adult-use cannabis sales, a portion of which is distributed to local governments based on population. These funds are restricted for use in training, and interdiction efforts, including detection, enforcement, and prevention activities related to the illegal cannabis market and driving under the influence of cannabis.
- **Hotel and Motel Tax** - the Village collected \$56,785 or 101.88% of the budgeted amount. This is an increase of \$1,785 from budget to actual in FY2025. The tax is imposed at a rate of 3% on the gross receipts from the rental or leasing of rooms in hotels and motels, reflecting the use and privilege of such accommodations within the Village.

- **Video Gaming & Push Tax** - the Village collected \$306,424 or 130.62% of the budgeted amount. This reflects an increase of \$71,825 from the FY2025 budgeted revenue. Video Gaming Tax revenue is generated from Net Terminal Income (NTI), which is defined as the amount of money inserted into a video gaming terminal (VGT) minus credits paid out to players. The State receives 30% of the NTI generated from each licensed VGT, of which 5% is distributed to the local municipality where the terminal operates. Of the remaining 70% of NTI, Scientific Games receives a small percentage as compensation for operating and maintaining the Central Communication System (CCS), with the balance split evenly between the terminal operator and the licensed establishment hosting the VGTs.
- **State Income Tax** - the Village collected \$6,757,502 or 106.42% of the budgeted amount. This reflects an increase of \$407,502 over the FY2025 budgeted revenue. State Income Tax revenue is derived from the Village's share of State Income Tax receipts, which are distributed on a per-capita basis according to population.
- **Local Share of State Sales Tax** - the Village collected \$11,027,926 or 137.07% of the budgeted amount. This is an increase of \$2,982,314 from budget to actual in FY2025. The increase is partially attributable to changes in State law under the "Leveling the Playing Field for Illinois Retailers" initiative, which expanded the collection of sales tax on remote sales. Additionally, economic conditions contributed to the variance, including stable consumer demand, the effects of inflation on the pricing of goods, and corresponding changes in consumer purchasing power, all of which increased the overall volume of taxable sales. This revenue is based on the dollar amount of purchased tangible merchandise within the Village.
- **Use Tax** - the Village collected \$336,148 or 24.01% of the budgeted amount. This reflects a decrease of \$1,063,852 over the FY2025 budgeted revenue. This account continues to decrease due to the changes in State law regarding the "Leveling the playing field for Illinois Retailer". This revenue is based on purchases made outside one's state of residence on taxable items that will be used, stored, or consumed in one's state of residence and on which no tax was collected in the state of purchase.
- **Personal Property Tax** - the Village collected \$126,053 or 84.04% of the budgeted amount. This reflects a decrease of \$23,947 from the FY2025 budgeted revenue. This revenue is distributed by the Illinois Department of Revenue (IDOR) to reimburse local governments for revenue lost when the authority to impose personal property taxes was eliminated.
- **Other Intergovernmental** - the Village collected \$421,362 or 235.28% of the budgeted amount. This is an increase of \$242,273 from budget to actual in FY2025. Revenues included in the total are law enforcement camera grant, State reimbursement program for police training, reimbursement from DuPage County for mowing charges, Sustained Traffic Enforcement Program (STEP) reimbursement, police special events charges, and fire recovery charges.
- **Licenses and Permits** - the Village collected \$958,619 or 80.32% of the budgeted amount. This is a decrease of \$234,881 from budget to actual in FY2025. This revenue is based on the number of businesses, tobacco, liquor, contractors, solicitors, multi-family, single-family licenses, permits, penalties, construction and remodeling, signs, video gaming permits, solid waste, land use development, and cable franchise fees.

- **Charges for Services** - the Village collected \$3,032,097 or 104.31% of the budgeted amount. This is an increase of \$125,203 from budget to actual in FY2025 due to ambulance and GEMT meeting the budgeted amount. Revenues included are building reinspections, plan reviews, ground emergency medical transport, immobilization, ambulance, CPR, vehicle impound, ADT, elevation inspections, overweight vehicle fees, registration of defaulted mortgage and vacant property (foreclosure fee), printed materials, renewable green energy, and rental income.
- **Fines and Forfeits** - the Village collected \$1,173,820 or 149.15% of the budgeted amount. This is an increase of \$386,820 from budget to actual in FY2025. The revenues included in the total are traffic fines (Cook & DuPage), police and fire false alarms, adjudication hearing process for Ordinance violations, kennel fees, and red-light camera fines.
- **Investment Income** - the Village collected \$1,631,784 or 326.36% of the budgeted amount. This is an increase of \$1,131,784 from budget to actual in FY2025. The increase is due to CD's, Money Market, & Treasury Notes with rates in the upper 4.00%.
- **Miscellaneous Revenue** - the Village collected \$78,083 or 108.63% of the budgeted amount. This is an increase of \$6,202 from budget to actual in FY2025. Revenues included are corporate partnership program, central equipment maintenance funding - water & sewer, other miscellaneous income such as NSF fees, late fees, fuel usage charges, and event fees.

The Village's equalized assessed valuation increased by \$44.3 million, or 5.07%, from \$874.9 million in the 2023 levy year to \$919.3 million in the 2024 levy year.

<u>Levy Year</u>	<u>Equalized Assessed Valuation</u>	<u>Increase in Equalized Assessed Valuation</u>	<u>Percent Increase (Decrease)</u>
2016	\$585,885,950	\$60,031,632	11.42%
2017	\$610,236,664	\$24,350,714	4.16%
2018	\$624,489,299	\$14,252,635	2.34%
2019	\$712,977,924	\$88,488,625	14.17%
2020	\$726,416,062	\$13,438,138	1.88%
2021	\$713,898,865	(\$12,517,197)	-1.72%
2022	\$818,052,279	\$104,153,414	14.59%
2023	\$874,979,819	\$56,927,540	6.96%
2024	\$919,307,685	\$44,327,866	5.07%

Long-Term Financial Planning and Relevant Financial Policies

The unrestricted, unassigned fund balance of the General Fund continues to exceed 40% of the subsequent year's budgeted expenditures. This policy was established by the Village Board to provide financing for unanticipated expenditures and accommodate shortfalls in revenues. The unassigned fund balance has increased by \$4,226,589. The Village management has been diligently monitoring expenses to ensure that the Village remains stable, providing core services in the most responsible way possible.

<u>Fiscal Year Ended</u>	<u>Unrestricted / Unassigned Fund Balance</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Percent</u>
31-Dec-16	\$19,432,402	\$31,151,413	62.38%
31-Dec-17	\$21,124,648	\$32,938,297	64.13%
31-Dec-18	\$22,115,466	\$35,553,157	62.20%
31-Dec-19	\$23,391,983	\$36,955,537	63.30%
31-Dec-20	\$28,830,428	\$36,668,195	78.63%
31-Dec-21	\$37,759,623	\$40,152,041	94.04%
31-Dec-22	\$37,812,992	\$53,745,707	70.36%
31-Dec-23	\$35,016,841	\$51,308,840	68.25%
31-Dec-24	\$38,523,618	\$48,001,281	80.26%
31-Dec-25	\$42,750,207	\$50,602,935**	84.48%

**The \$50,602,935 is the Adopted/Amended budget of General Fund for FY2026.

The Village has a “pay-as-you-go” philosophy on financing capital projects. The use of the General Capital Projects Fund, Central Equipment Fund and IT Replacement Fund has assisted the Village in the planned replacement of capital assets. Monies are set aside in these funds annually to cover the cost of planned capital purchases and improvements.

The Village prepares a five-year Capital Improvement Program (CIP) that is incorporated into the annual budget each year. The CIP is a multi-year planning instrument used to identify needed capital projects for improvements to Village buildings, equipment and infrastructure and capital equipment purchases, and to coordinate the financing and timing of these improvements.

Major Initiatives

The Village of Hanover Park continued to manage its fiscal operations well and operate costs effectively in Fiscal Year 2025. The Village, with its budgeted full-time staffing of about 200, serves its citizens with 5.21 full-time employees per 1,000 in population. The Village’s Strategic Plan reflects the Village's continued commitment to its citizens that the Village is a great place to live, visit, work, and do business. Highlights include:

- Staff marketed the community to attract new development and businesses with the focus on the Village Center and recruiting businesses for key locations. Interest in the Village Center was strong and Staff was able to attract interest from 8 developers who proposed residential projects in the Village Center, including a national restaurant in Church Street Station.

- The Village's long-term vision for the area around the Metra station has been to develop a downtown "Village Center". To implement this vision, the Village amended the zoning code, created new zoning districts and rezoned several parcels to enable well-designed development using transit-oriented development principles. Staff have been reviewing seven proposals under the new code, including three townhomes proposals, three multi-family proposals, and a mixed-use daycare.
- The Village held its Business After Hours, and the Holiday Tree Lighting event in our new Ontarioville Plaza in the Village Center. This TIF-funded project was created as a civic gathering space and serves as a catalyst of growth in the Village Center. The Business After Hours, a networking event hosted by the Economic Development Committee, was very well received by area businesses. Several Hanover Park restaurants provided food, representing the various cuisines present in our Global Village.
- All three TIF districts have a positive fund balance and planning and work continues on projects for use of unobligated funds to fully implement the TIF plans.
- Two Façade Improvement Grants were approved and implemented for two restaurants for a total of over \$70,000 in improvement.
- New DuComm Facility – 7th Year Costs: The Police and Fire Departments participated with other DuComm member agencies in funding the construction costs of the DuPage Communications new facility. The \$35,000 cost represented the Police Department's FY2025 share, which was paid as a single annual payment. The estimated total Police Department obligation for the second facility project is \$571,309. The Fire Department's share was paid quarterly, with \$3,614 budgeted and paid in FY2025. The project is scheduled to be fully paid off by 2030.
- Police Canine: The Police Department's apprehension canine, which had been in service since 2016, was retired in early 2025 due to age and length of service. The Village invested \$27,000 in FY2025 to replace the retiring canine. The Police Department continues to benefit from a canine program through narcotics detection, the apprehension of fleeing suspects involved in serious crimes, the location of missing or endangered persons, and assistance provided to neighboring agencies as needed. The FY2025 expenditure included the replacement canine, training for the canine and handler, and associated supply costs.
- Infrastructure: In 2025, the Village invested \$4,450,000 in the resurfacing and reconstruction of Village streets. Of that amount, \$500,000 was funded through state capital grants, \$700,000 through the State Surface Transportation Fund, and \$1,600,000 through state Motor Fuel Tax revenues. The Arlington Drive Bridge replacement project was let through the state and awarded to Martam Construction in the amount of \$2,262,439.76. The Village budgeted and contributed \$440,000 as its share of the project in 2025, while the State Bridge Replacement Program covered approximately 80% of the total cost. The Village also continued efforts to improve bicycle and pedestrian facilities by funding the engineering and construction of the County Farm Road Trail and Lake Street Multi-Use Path projects. The total construction cost for these projects was approximately \$3,300,000, with the State Surface Transportation Fund covering approximately 70% of the costs. Construction is ongoing and will continue through FY2026. In addition, the engineering design for the Center Avenue Sidewalk project was completed in 2025. The Village also completed the second year of its five-year watermain replacement program, investing \$5,200,000 in watermain replacement projects during 2025. Furthermore, with the assistance of federal funding secured through Representative Krishnamoorthi, the Village completed the replacement of the UV disinfection system at the wastewater treatment plant.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hanover Park for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2024. This was the 40th consecutive fiscal year that the Village has received this prestigious award. To be awarded a Certificate of Achievement for Excellence in Financial Reporting, the Village must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and will be once again submitting it to the GFOA for consideration.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2026 budget document. This was the 37th consecutive year the Village received this award. To qualify for the Distinguished Budget Presentation Award, the Village's document was judged to be proficient in several categories, including a policy document, a financial plan, an operational guide, and a communication tool.

The preparation of this ACFR was made possible by the efficient and dedicated service of the entire staff of the Finance Department. I express my appreciation to each member of the Finance Department for the contributions made in the preparation of this document.

In addition, I would like to thank the Village President, the Village Board of Trustees, Department Heads and Village staff for their assistance in planning and conducting the fiscal affairs of the Village in a responsible manner.

Respectfully submitted,



Courtney Sage
Interim Village Manager

FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois (the Village) as of and for the year ended December 31, 2025 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hanover Park, Illinois as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adjustments to Prior Period Financial Statements

As part of our audit of the 2025 financial statements, we also audited adjustments described in Note 16 that were applied to restate the 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 financial statements of the Village other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich CPA LLC

Naperville, Illinois
June 25, 2026

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

The Village of Hanover Park Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activities, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Hanover Park exceeded its liabilities and deferred inflows of resources by \$174,609,1619 (net position) as of December 31, 2025. The unrestricted net position has a positive balance of \$28,823,022 and may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$15,255,177 to \$174,609,619 as of December 31, 2025.
- During the year, government-wide revenues totaled \$76,551,125 while expenses totaled \$61,295,948 resulting in the increase of net position in the amount of \$15,255,177.
- The Village's combined governmental funds ending fund balance increased by \$11,281,400, including restatements of \$1,868,422, to \$86,953,721 as of December 31, 2025.
- At the end of the current period, unrestricted (unassigned) fund balance of the General Fund was \$42,750,207 or 84.48% of General Fund adopted/amended FY2026 expenditures budget. The FY2026 annualized budgeted expenditures, and other financing uses totaled \$50,602,935.
- The Village's total long-term debt including pension obligation (GASB 68 and GASB 75) and compensated absences liability decreased by \$8,027,865 to \$65,370,921 compared to the FY2024 report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village of Hanover Park's basic financial statements. The Village'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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

The Statement of Net Position presents information on all the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to serve as "the bottom line" results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

The Statement of Activities presents information showing how the Village's net position changed during the most recent period and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the changes that occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services, including police, fire, public works, highways and streets, community development, and general government. Property taxes, shared state sales taxes, local utility taxes, shared state income taxes, home rule sales taxes, and food and beverage taxes finance most of these activities. The business-type activities reflect private sector-type operations (Water and Sewer Fund, the Municipal Railroad Parking Lot Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. 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 governmental activities.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Governmental Funds - Continued

The Village maintains 17 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Motor Fuel Tax, Tax Increment Financing #3 and Capital Projects, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Village adopts an annual budget for each governmental fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Proprietary Funds

The Village maintains two distinct types of proprietary funds. Enterprise Funds are used to report the same functions presented in business-type activities in the Government-Wide Financial Statements. The Village uses enterprise funds to account for its Waterworks and Sewerage and Municipal Railroad Parking Lot activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its vehicle replacement and information technology program. Internal Service Funds predominantly serve governmental rather than business-type functions and are included with governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Waterworks and Sewerage Fund and the Municipal Railroad Parking Lot Fund are considered major funds of the Village and are presented in a separate column in the Fund Financial Statements. The Internal Service Fund is shown as a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Fund is presented elsewhere in the report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The Fiduciary Funds include the Police Pension Fund and Firefighter Pension Fund. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes section provides additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- *Net Results of Activities* - which will impact (increase/decrease) current assets and unrestricted net position.
- *Borrowing for Capital* - which will increase current assets and long-term debt outstanding.
- *Spending Borrowed Proceeds on New Capital* - which will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt, which will not change the investment in capital assets, net of related debt total.
- *Spending Nonborrowed Current Assets on New Capital* - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets, net of related debt.
- *Principal Payment on Debt* - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets, net of related debt.
- *Reduction of Capital Assets through Depreciation* - which will reduce capital assets and reduce investment in capital assets, net of related debt.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

The following table shows the statement of net position of the Village of Hanover Park as of December 31, 2025, compared to December 31, 2024:

	Statement of Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 125,142,175	111,864,765	14,934,469	13,478,562	140,076,644	125,343,327
Capital Assets	91,659,043	91,807,606	36,519,515	33,001,010	128,178,558	124,808,616
Total Assets	216,801,218	203,672,371	51,453,984	46,479,572	268,255,202	250,151,943
Deferred Outflows of Resources	9,194,499	11,566,294	1,698,117	2,185,429	10,892,616	13,751,723
Total Assets and Deferred Outflows of Resources	225,995,717	215,238,665	53,152,101	48,665,001	279,147,818	263,903,666
Long-Term Liabilities	53,175,482	64,687,311	12,195,439	7,269,015	65,370,921	71,956,326
Other Liabilities	8,759,774	9,341,520	1,486,102	2,430,843	10,245,876	11,772,363
Total Liabilities	61,935,256	74,028,831	13,681,541	9,699,858	75,616,797	83,728,689
Deferred Inflows of Resources	28,154,864	20,404,473	766,538	800,923	28,921,402	21,205,396
Total Liabilities and Deferred Inflows of Resources	90,090,120	94,433,304	14,448,079	10,500,781	104,538,199	104,934,085
Net Position						
Net Investment in Capital Assets	83,915,149	82,883,029	28,106,340	29,226,024	112,021,489	112,109,053
Restricted	33,765,108	37,216,950	-	-	33,765,108	37,216,950
Unrestricted	18,225,340	705,382	10,597,682	8,938,196	28,823,022	9,643,578
Total Net Position	135,905,597	120,805,361	38,704,022	38,164,220	174,609,619	158,969,581

As noted earlier, the Statement of Net Position serves as a useful indicator of a government's financial position. The Village's assets/deferred outflows of resources exceeded its liabilities/deferred inflows of resources by \$174,609,619 as of December 31, 2025. The largest portion of the Village's net position reflects its net investment in capital assets of \$112,021,489 or 64.2%. This includes land, permanent easement, right of way, construction in progress, buildings, machinery, equipment and vehicles, improvements other than buildings, and infrastructure, less any related debt. Also used are debts to acquire those assets that are still outstanding, the implementation of GASB No. 68 to record the net pension liability and the implementation of GASB No. 75 to record the OPEB liability. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

An additional portion of the Village's net position of \$33,765,108 or 19.3% represents resources that are subject to external restrictions on how they may be used. The positive balance of unrestricted net position, \$28,823,022 or 16.5%, may be used to meet the Village's ongoing obligations to citizens and creditors.

The net position of governmental activities totaled \$135,905,597, an increase of 12.5% from Fiscal Year 2024.

The net position of business-type activities totaled \$38,704,022, an increase of 1.4% from Fiscal Year 2024. The unrestricted net position of \$10,597,682 within the Business-Type Activities will be used to finance the continuing operation of its water and sewer utility as well as its municipal commuter parking programs.

Changes in Net Position

There are eight basic (normal) impacts on revenues and expenses as reflected below:

Revenues:

- *Economic Condition* - which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and levels of consumption.
- *Increase/Decrease in Village-Approved Rates* - while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, impact fees, building fees, home rule sales tax, etc.).
- *Changing Patterns in Intergovernmental and Grant Revenue (both Recurring and Nonrecurring)* - certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically, while nonrecurring (or one-time) grants are less predictable and often distorting due to their impact on year-to-year comparisons.
- *Market Impacts on Investment Income* - the Village's investment policy is managed using a similar average maturity to most governments. Market conditions may cause investment income.

Expenses:

- *Introduction of New Programs* - within the functional expense categories (general government, public works, public safety, etc.), individual programs may be added or deleted to meet changing community needs.
- *Change in Authorized Personnel* - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Personnel costs (salary and related benefits).
- *Salary Increases (Annual Adjustment and Merit)* - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.
- *Inflation* - while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Changes in Net Position - Continued

Following is a table that summarizes the changes in net position of the Village of Hanover Park as of December 31, 2025, compared to December 31, 2024:

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	5,228,403	4,730,102	14,428,798	11,104,126	19,657,201	15,834,228
Operating Grants and Contrib.	2,699,282	6,179,053	-	545,316	2,699,282	6,724,369
Capital Grants and Contrib.	-	-	143,096	-	143,096	-
General Revenues						
Property Taxes	17,305,264	16,575,520	-	-	17,305,264	16,575,520
Home Rule Sales Taxes	9,937,791	8,157,212	-	-	9,937,791	8,157,212
Utility Taxes	1,586,703	1,540,075	-	-	1,586,703	1,540,075
Other Taxes	3,557,632	2,692,858	-	-	3,557,632	2,692,858
Intergovernmental	18,250,652	19,139,453	-	-	18,250,652	19,139,453
Investment Income	2,922,874	3,620,886	334,042	346,659	3,256,916	3,967,545
Miscellaneous	156,588	3,853,170	-	2,929,384	156,588	6,782,554
Total Revenues	61,645,189	66,488,329	14,905,936	14,925,485	76,551,125	81,413,814
Expenses						
General Government	11,084,127	11,069,502	-	-	11,084,127	11,069,502
Public Works	5,353,163	5,186,235	-	-	5,353,163	5,186,235
Public Safety	22,811,790	28,211,192	-	-	22,811,790	28,211,192
Community Development	6,073,933	4,398,251	-	-	6,073,933	4,398,251
Highways and Streets	1,453,096	1,626,381	-	-	1,453,096	1,626,381
Interest on Long-Term Debt	153,705	193,393	-	-	153,705	193,393
Waterworks and Sewerage	-	-	13,923,656	12,657,800	13,923,656	12,657,800
Municipal Commuter Parking Lot	-	-	442,478	388,381	442,478	388,381
Total Expenses	46,929,814	50,684,954	14,366,134	13,046,181	61,295,948	63,731,135

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

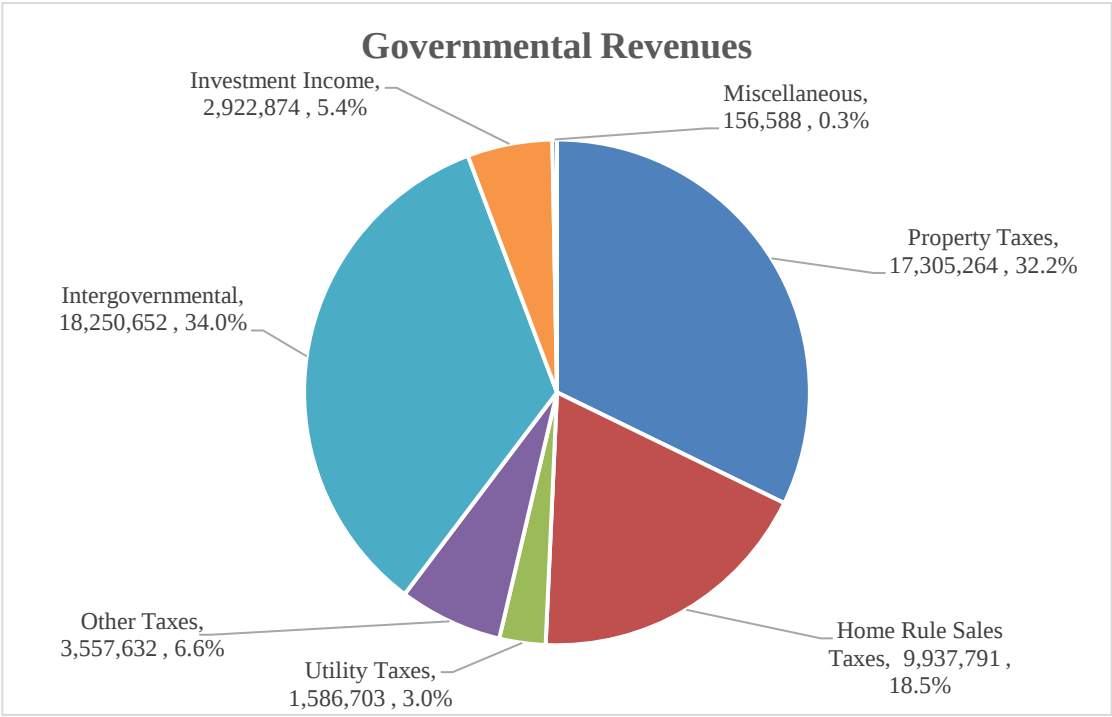
Changes in Net Position - Continued

Net position of the Village’s governmental activities increased by 12.5% or \$15,100,236 (\$135,905,597 in 2025 compared to \$120,805,351 in 2024). Net position of business-type activities increased by 1.4% or \$539,802 (\$38,704,022 in 2025 compared to \$38,164,220 in 2024). Key elements contributing to this net change are as follows:

Governmental Activities

Revenues

Revenues for governmental activities totaled \$61,645,189 and \$66,488,329 for December 31, 2025 and December 31, 2024 respectively. This is a decrease of \$4,843,140.



VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities - Continued

Some key changes during the year for the governmental activity revenues are described below:

- Charges for services increased by \$498,301 compared to the prior year due to ground emergency medical transportation, ambulance services, traffic fines, ordinance violations, and red-light camera fines higher than budgeted.
- Operating grants and contributions revenue decreased by \$3,479,771 compared to the prior year, primarily due to the receipt of approximately \$4.0 million in Rebuild Illinois grant reimbursements in the previous year. This decrease was partially offset by increased Motor Fuel Tax allotments and funding received through the DCEO Turnberry resurfacing grant. Additionally, certain reimbursement revenues including DuPage County mowing reimbursements, Illinois Law Enforcement Alarm System (ILEAS) reimbursements, police and fire service reimbursements, and other miscellaneous reimbursements were reclassified from Miscellaneous Income to Operating Grants and Contributions for the current year.
- Property taxes revenues increased by \$729,744 compared to the prior year, primarily due to higher TIF increment revenues and increases in the levy amounts for certain Special Service Areas.
- Home rule sales taxes increased by \$1,780,579 compared to the previous year due to a general increase in retail sales and sales generated by retailers located in the Village.
- Utility Taxes increased by \$46,628 from the previous year, mainly due to higher utility taxes revenues. Despite this increase, telecommunications tax revenues continue to trend downward as customers shift to non-taxable cellular data plans. Natural gas and electric utility taxes are based on actual usage and are significantly affected by weather-related temperature fluctuations.
- Other Taxes increased by \$864,774 compared to prior year due to real estate transfer tax, food and beverage tax, auto rental tax, cannabis use tax, video gaming tax, push tax, gasoline tax, and foreign fire fee.
- Intergovernmental revenues decreased by \$888,801 compared to the prior year, primarily due to changes in State law related to the "Leveling the Playing Field" legislation, which reduced state use tax revenues. This revenue source is not expected to increase in future years and is expected to continue declining. Increases in state income tax, state sales tax, and Personal Property Replacement Tax (PPRT) revenues partially offset the decrease. The year-over-year decline was also impacted by grant reimbursements received in the prior year from MWRDGC and the EPA for the West Branch Stabilization Anne Fox project, which was completed in 2024. Additionally, certain revenue sources, including cannabis use tax, video gaming tax, and auto rental tax, have been reclassified and reported in other revenue categories.
- Investment income decreased by \$698,012 compared to the prior year as yields on certificates of deposit (CDs), U.S. Treasury notes, and money market accounts fluctuated with changing market interest rates, which had previously been in the upper 4.00% range.
- Miscellaneous revenues decreased by \$3,696,582 compared to the previous year. These revenues consist of non-recurring and variable sources, including corporate partnership sponsorships, funding for water and sewer equipment maintenance, NSF fees, late payment fees, fuel usage charges, and other miscellaneous revenues. The decrease was primarily attributable to reimbursements received in FY2024 for a joint local government project (Anne Fox stabilization project) that was completed during the year, as well as higher insurance and risk management claim recoveries recognized in FY2024.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Revenues - Continued

	Changes in Governmental Activities Revenues			
	2025	2024	Increase (Decrease)	% Increase (Decrease)
Charges for Services	5,228,403	4,730,102	498,301	10.53%
Operating Grants and Contrib.	2,699,282	6,179,053	(3,479,771)	-56.32%
Property Taxes	17,305,264	16,575,520	729,744	4.40%
Home Rule Sales Taxes	9,937,791	8,157,212	1,780,579	21.83%
Utility Taxes	1,586,703	1,540,075	46,628	3.03%
Other Taxes	3,557,632	2,692,858	864,774	32.11%
Intergovernmental	18,250,652	19,139,453	(888,801)	-4.64%
Investment Income	2,922,874	3,620,886	(698,012)	-19.28%
Miscellaneous	156,588	3,853,170	(3,696,582)	-95.94%
	61,645,189	66,488,329	(4,843,140)	-7.28%

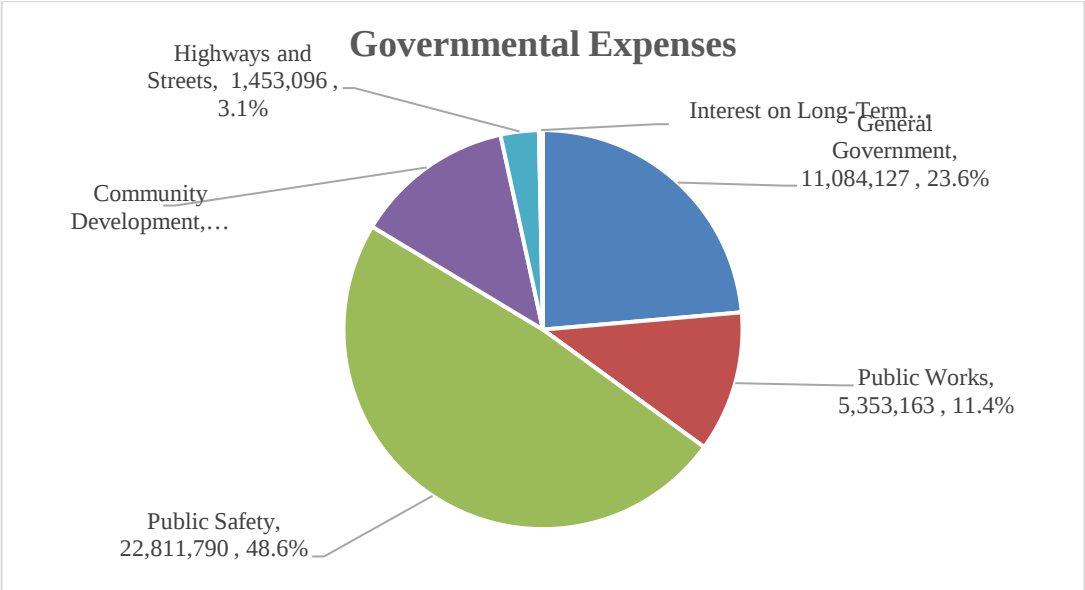
Management’s Discussion and Analysis
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Expenses

For the year ended December 31, 2025, governmental activities expenses totaled \$46,929,814. This represents a decrease of \$3,755,140 compared to expenses of \$50,684,954 for the year ended December 31, 2024. The decrease was primarily attributable to lower public safety expenditure resulting from the capitalization of certain expenses, the implementation of GASB Statement No. 101 related to compensated absences, and changes in police and fire liability costs. These decreases were partially offset by increases in personal services expenditures, including salaries and pension costs, as well as incentive tax payments. Village management closely monitored expenditure throughout the year to ensure that spending remained within budgetary limits



	Changes in Governmental Activities Expenses			
	2025	2024	Increase (Decrease)	% Increase (Decrease)
General Government	11,084,127	11,069,502	14,625	0.13%
Public Works	5,353,163	5,186,235	166,928	3.22%
Public Safety	22,811,790	28,211,192	(5,399,402)	-19.14%
Community Development	6,073,933	4,398,251	1,675,682	38.10%
Highways and Streets	1,453,096	1,626,381	(173,285)	-10.65%
Interest on Long-Term Debt	153,705	193,393	(39,688)	-20.52%
	46,929,814	50,684,954	(3,755,140)	-7.41%

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-type activities posted total revenues of \$14,905,936 while the cost of all business-type activities totaled \$14,366,134, showing a surplus of \$539,802. In 2024, revenues of \$14,925,485 and expenses of \$13,046,181 showed a surplus of \$1,879,304.

Revenues

Proprietary Fund, for the fiscal year ending December 31, 2025, revenues for the business-type activities totaled \$14,905,936, showing a decrease of \$19,549, or 0.1% from FY2024. The decline was primarily due to the collection of most of the UV reimbursement grant related to the UV disinfection replacement project in FY2024. The impact of this decrease was partially offset by rate increases effective January 1, 2025, including a 4.5% increase in water and sewer rates and an 8.0% increase in the infrastructure service charge.

Waterworks and Sewerage increased by \$102,547 or 0.7% from the prior year, primarily due to rate increases effective January 1, 2025, of 4.5% for water and sewer services and 8.0% for the infrastructure service charge. This increase was partially offset by the receipt of most of the UV reimbursement grant proceeds related to the UV disinfection replacement project in FY2024.

Municipal Commuter Parking Lot decreased by \$122,096 or 45.2%, from the prior year, primarily due to the recognition of final reimbursement revenue from the Build Illinois Grant for the Metra Crossing Safety Project in FY2024. The decrease was partially offset by a slight increase in commuter ridership and associated daily parking fees at the \$1.75 daily rate.

	Changes in Business-Type Activities Revenues			
	2025	2024	Increase (Decrease)	% Increase (Decrease)
Waterworks and Sewerage	14,758,000	14,655,453	102,547	0.70%
Municipal Railroad Parking Lot	147,936	270,032	(122,096)	-45.22%
	14,905,936	14,925,485	(19,549)	-0.13%

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Expenses

Expenses for the year ending December 31, 2025, totaled \$14,366,134. It shows an increase of \$1,319,953 or 10.1% over the FY2024 expenses of \$13,046,181. The increase is due to personnel services (salaries, pension etc.) water cost, and materials and supplies. Village management closely monitored expenditures to ensure we remained within budget.

	Changes in Business-Type Activities Expenses			
	2025	2024	Increase (Decrease)	% Increase (Decrease)
Waterworks and Sewerage	13,923,656	12,657,800	1,265,856	10.00%
Municipal Railroad Parking Lot	442,478	388,381	54,097	13.93%
	14,366,134	13,046,181	1,319,953	10.12%

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village of Hanover Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combined ending fund balances of \$86,953,721 which is \$9,412,978 or 12.44%, higher than last year's total of \$75,672,321. Of the \$86,953,721 total, \$42,750,207 or approximately 49.16% of the fund balance constitutes unassigned fund balance.

General Fund: The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the General Fund increased by \$7,651,758 to \$50,503,820 of which \$42,750,207 is the unassigned amount. The increase is due to local share of state sales taxes and the home rule sales taxes in retail sales and sales generated by new retailers located in the Village, as well as the steady stream of the state income tax investment income due to higher CD's, Money Market and Treasury Note rates in upper 4.00%. Village Board policy requires that the General Fund unrestricted fund balance be maintained at a minimum of 40% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls. The difference between the restricted amount and the unrestricted amount is available for use as determined by the Village Board. The Village will use the unassigned fund balance for the Village-owned property improvements and the Village's infrastructure program, which will be funded in part by reimbursable grants.

	Comparison of the Results of Operations and the Unassigned Fund Balance (Last Four Fiscal Years)			
	2022	2023	2024	2025
Revenues, Transfers and Disposals	53,021,018	48,295,349	55,892,783	52,199,512
Expenditures and Transfers	52,945,706	51,108,841	48,095,395	46,416,176
Results of Operations	75,312	(2,813,492)	7,797,388	5,783,336
Fund Balance - Beginning	37,792,854	37,868,166	35,054,674	42,852,062
Restatement	-	-	-	1,868,422
Fund Balance - Ending	37,868,166	35,054,674	42,852,062	50,503,820
Nonspendable, Restricted, and Assigned	55,174	37,833	6,196,866	7,753,613
Unassigned	37,812,992	35,016,841	36,655,196	42,750,207
Total Fund Balance	37,868,166	35,054,674	42,852,062	50,503,820
Percentage of Budgeted Expenditures	94.75%	74.42%	71.19%	96.70%

VILLAGE OF HANOVER PARK, ILLINOIS

Management’s Discussion and Analysis
December 31, 2025

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS - Continued

Other Major Funds

Tax Increment Financing #3: is used to account for the incremental property tax revenue that is generated through the growth of the assessed valuation of the defined TIF#3 area which includes Church Street Station (Townhouses and Commercial), the Animal Care Building, the Claremont (Nursing Facility) As of December 31, 2025, the Tax Increment Financing #3 saw an increase of \$2,139,009. This increase was primarily attributable to property tax increment revenue, higher investment earnings resulting from certificates of deposit (CDs), money market accounts, and Treasury notes yielding rates above 4.00%, as well as expenditures remaining below the budgeted amount for the year.

Proprietary Funds

The Village’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Waterworks and Sewerage as major proprietary funds. The Waterworks and Sewerage Fund accounts for all the operations of the municipal water and sewerage system. The Village provides water service to all residential and municipal customers within Hanover Park in both Cook and DuPage Counties at a rate of \$10.67 per 1,000 gallons. Sewer service is billed at a rate of \$2.36 per 1,000 gallons for Cook County residents and \$6.36 per 1,000 gallons for DuPage County residents. In 2023, the Village implemented a restructuring of the infrastructure service charge, transitioning from a fixed rate to a scaled meter-based rate determined by meter size. These rates are designed to support the operation and maintenance of the water and sewer system, including labor costs, supplies, repairs, replacements, and necessary infrastructure improvements. During Fiscal Year 2025, the Waterworks and Sewerage Fund generated revenues more than expenses. Total revenues, including grant proceeds, were \$14,758,000, compared to total expenses of \$13,923,656. As of December 31, 2025, the fund's overall net position increased by \$834,344, including the impact of grant revenues).

	Waterworks and Sewerage Fund Revenues			
	2025	2024	Increase (Decrease)	% Increase (Decrease)
Water Sales	7,622,621	7,407,518	215,103	2.90%
Sewer Sales	2,993,789	2,897,285	96,504	3.33%
Leachate Treatment	70,528	188,458	(117,930)	-62.58%
Interest	334,114	342,589	(8,475)	-2.47%
Other Revenues	3,736,948	3,819,603	(82,655)	-2.16%
	14,758,000	14,655,453	102,547	0.70%

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS - Continued

Proprietary Funds - Continued

The Municipal Railroad Parking Lot Fund's actual revenues were insufficient to cover actual expenses during Fiscal Year 2025. Total expenses were \$442,478, while total revenues amounted to \$147,936. As a result, the fund's overall net position decreased by \$294,542 as of December 31, 2025. It continues to experience financial challenges due to reduced commuter parking demand following the COVID-19 pandemic. Despite ongoing usage, ridership and parking activity have not returned to pre-pandemic levels, resulting in lower revenue generation for the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2025, the Village Board approved a budget amendment to increase the budget by \$1,200,000 due to tax incentive payments exceeding the budgeted amount. This increase was fully offset by unanticipated revenue ensuring no negative impact on the overall financial position of the Village.

General Fund actual revenues (including other financing sources) for the year totaled \$52,199,512 exceeded budgeted revenues (including other financing sources) of \$45,684,945, by \$6,514,567 or 14.3%. The increase is due to local share of state sales taxes and the home rule sales taxes in retail sales and sales generated by new retailers located in the Village and the steady stream of the state income tax investment income due to higher CD's, Money Market and Treasury Note rates in upper 4.00%.

The General Fund actual expenditures (including other financing uses) for the year totaled \$46,416,176. This is \$1,585,105 or 3.3% lower than final budgeted expenditures (including other financing uses) of \$48,001,281. The staff has been diligently monitoring expenses to ensure that the Village remains stable, while still providing core services in the most responsible way.

	2025			2024
	Original Budget	Final Budget	Actual	Actual
Revenues	45,684,945	45,684,945	51,882,185	53,669,644
Expenditures	45,365,071	46,621,395	45,036,290	42,505,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	319,874	(936,450)	6,845,895	11,164,117
Other Financing Sources	-	-	317,327	2,223,139
Other Financing (Uses)	(1,346,500)	(1,379,886)	(1,379,886)	(5,589,868)
Net Change in Fund Balance	(1,026,626)	(2,316,336)	5,783,336	7,797,388

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was \$128,178,558 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvement other than buildings, machinery, equipment, and vehicles, water and sewer underground system improvements, and other infrastructure improvements.

	Capital Assets (Net of Depreciation)					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2023
Land	4,417,543	4,437,543	2,254,634	2,254,634	6,672,177	6,692,177
Permanent Easements	33,873	33,873	-	-	33,873	33,873
Right of Way	25,058,691	25,058,691	-	-	25,058,691	25,058,691
Construction in Progress	2,513,084	74,880	4,868,937	5,490,384	7,382,021	5,565,264
Buildings	27,704,256	28,733,484	4,504,973	4,681,715	32,209,229	33,415,199
Machinery, Equipment, and Vehicles	7,330,515	7,636,884	834,063	917,111	8,164,578	8,553,995
Improvements Other Than Buildings	8,361,682	8,828,674	8,655,696	3,778,882	17,017,378	12,607,556
Infrastructure	15,779,166	16,451,279	-	-	15,779,166	16,451,279
Subscription Assets	460,233	552,298	-	-	460,233	552,298
Underground Systems	-	-	15,401,212	15,878,284	15,401,212	15,878,284
	91,659,043	91,807,606	36,519,515	33,001,010	128,178,558	124,808,616

This year's major additions included:

Construction in Progress	6,838,207
Buildings	83,802
Machinery, Equipment, and Vehicles	1,376,887
Improvements Other Than Buildings	5,342,227
Infrastructure	6,060,752
	<u>19,701,875</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

DEBT ADMINISTRATION

The Village's total outstanding debt excluding the net pension liability, IMRF, OPEB, and compensated absences increased by \$3,181,154 or 24.80% from the prior fiscal year. This increase was primarily due to the issuance of \$4,759,172 under the Village's second IEPA loan during Fiscal Year 2025.

The Village, under its home rule authority does not have a legal debt limit. The Village has a bond rating of AA from Standard & Poor which was updated during the refinancing of the General Obligation Refunding Bonds Series 2020.

	Long-Term Debt					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	6,410,000	7,545,000	-	-	6,410,000	7,545,000
Unamortized Premium	849,399	1,019,279	-	-	849,399	1,019,279
Subscriptions Payable	418,177	488,232	-	-	418,177	488,232
IEPA Loan Payable	-	-	8,331,075	3,774,986	8,331,075	3,774,986
	7,677,576	9,052,511	8,331,075	3,774,986	16,008,651	12,827,497

Additional information on the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND FUTURE PROSPECTS

The Village's elected and appointed officials considered many factors when developing the FY2026 budget, tax levy, and fees for its governmental and business-type activities. One of the most significant factors was the local and regional economy. Current economic conditions continue to reflect moderate growth in certain sectors while showing increased stability in key revenue sources, including food and beverage taxes. Recent trends have also demonstrated moderate growth in both the Village's share of state sales tax revenues and home-rule sales tax revenues compared to FY2024.

The Village adopted a balanced FY2026 budget that includes a 0.00% increase in the 2025 property tax levy, marking the tenth consecutive year without a tax levy increase. In addition, a 4.5% water and sewer rate increase was approved, effective with January 1, 2026 billing. The infrastructure service charge was also restructured from a flat rate across all meter sizes to a scaled fixed rate based on meter size, resulting in an overall increase of 8.0%, effective January 1, 2026 billing. Despite these adjustments, the Village remains committed to providing a high level of service, investing in modern technology, and pursuing grant funding opportunities whenever possible.

The Village's goal remains to minimize the financial burden on Hanover Park taxpayers while continuing to identify cost-saving strategies and operational efficiencies. The Village will responsibly utilize reserves when necessary and proactively position its organization to maximize service levels within available resources.

VILLAGE OF HANOVER PARK, ILLINOIS

Management's Discussion and Analysis

December 31, 2025

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or to request additional financial information should be directed to the Finance Director of The Village of Hanover Park at 2121 W. Lake St., Hanover Park, IL 60133. Phone number 630-823-5600.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 90,018,219	\$ 8,201,155	\$ 98,219,374
Receivables (net of allowances for uncollectibles)			
Property taxes	18,308,091	-	18,308,091
Accounts	724,346	1,344,080	2,068,426
Accrued interest	664,265	271,916	936,181
IRMA excess surplus	2,202,258	2,004,130	4,206,388
IPBC terminal reserve	3,242,251	610,982	3,853,233
IEPA loan	-	3,787,483	3,787,483
Leases	2,117,682	-	2,117,682
Due from other governments	6,118,473	-	6,118,473
Prepaid items	36,048	14,723	50,771
Inventory	14,935	-	14,935
Net pension asset	395,607	-	395,607
Internal balances	1,300,000	(1,300,000)	-
Capital assets			
Nondepreciable	32,023,191	7,123,571	39,146,762
Depreciable (net of accumulated depreciation)	59,635,852	29,395,944	89,031,796
Total assets	216,801,218	51,453,984	268,255,202
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	2,402,037	1,092,035	3,494,072
Pension items - SLEP	25,687	-	25,687
Pension items - Police Pension	3,464,345	-	3,464,345
Pension items - Firefighters' Pension	1,585,627	-	1,585,627
OPEB items	1,610,191	306,862	1,917,053
Unamortized loss on refunding	106,612	-	106,612
Asset retirement obligation items	-	299,220	299,220
Total deferred outflows of resources	9,194,499	1,698,117	10,892,616
Total assets and deferred outflows of resources	225,995,717	53,152,101	279,147,818
LIABILITIES			
Accounts payable	1,631,224	1,218,336	2,849,560
Accrued payroll	1,383,753	243,316	1,627,069
Accrued interest	21,717	-	21,717
Deposits	-	24,450	24,450
Unearned revenue	650,961	-	650,961
Due to other governments	544,539	-	544,539
Due to fiduciary funds	1,441,953	-	1,441,953
Other payables	3,085,627	-	3,085,627
Long-term liabilities			
Due within one year	2,234,578	221,653	2,456,231
Due in more than one year	50,940,904	11,973,786	62,914,690
Total liabilities	61,935,256	13,681,541	75,616,797
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	13,877,979	-	13,877,979
Leases	1,962,702	-	1,962,702
Pension items - IMRF	17,107	7,778	24,885
OPEB items	3,981,420	758,760	4,740,180
Pension items - Police Pension	4,823,441	-	4,823,441
Pension items - Firefighters' Pension	3,492,215	-	3,492,215
Total deferred inflows of resources	28,154,864	766,538	28,921,402
Total liabilities and deferred inflows of resources	90,090,120	14,448,079	104,538,199

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 83,915,149	\$ 28,106,340	\$ 112,021,489
Restricted for			
Public safety	519,272	-	519,272
Highways and streets	7,421,124	-	7,421,124
Debt service	684,321	-	684,321
Community development	23,993,150	-	23,993,150
Special service areas	751,634	-	751,634
Net pension asset	395,607	-	395,607
Unrestricted	18,225,340	10,597,682	28,823,022
TOTAL NET POSITION	\$ 135,905,597	\$ 38,704,022	\$ 174,609,619

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 11,084,127	\$ 1,316,650	\$ 64,699	\$ -
Public works	5,353,163	89,807	-	-
Public safety	22,811,790	3,355,069	128,661	-
Community development	6,073,933	466,877	42,679	-
Highways and streets	1,453,096	-	2,463,243	-
Interest and fiscal charges	153,705	-	-	-
Total governmental activities	46,929,814	5,228,403	2,699,282	-
Business-Type Activities				
Water and sewer	13,923,656	14,280,790	-	143,096
Parking	442,478	148,008	-	-
Total business-type activities	14,366,134	14,428,798	-	143,096
TOTAL PRIMARY GOVERNMENT	\$ 61,295,948	\$ 19,657,201	\$ 2,699,282	\$ 143,096

Net (Expense) Revenue and Change in Net Position			
Primary Government			
Governmental	Business-Type		
Activities	Activities		Total
\$ (9,702,778)	\$ -		\$ (9,702,778)
(5,263,356)	-		(5,263,356)
(19,328,060)	-		(19,328,060)
(5,564,377)	-		(5,564,377)
1,010,147	-		1,010,147
(153,705)	-		(153,705)
(39,002,129)	-		(39,002,129)
-	500,230		500,230
-	(294,470)		(294,470)
-	205,760		205,760
(39,002,129)	205,760		(38,796,369)
General Revenues			
Taxes			
Property	17,305,264	-	17,305,264
Home rule sales	9,937,791	-	9,937,791
Utility	1,586,703	-	1,586,703
Other taxes	3,557,632	-	3,557,632
Intergovernmental - unrestricted			
State income tax	6,757,502	-	6,757,502
State sales tax	11,027,926	-	11,027,926
State use tax	336,148	-	336,148
Replacement tax	129,076	-	129,076
Investment income	2,922,874	334,042	3,256,916
Miscellaneous	156,588	-	156,588
Total	53,717,504	334,042	54,051,546
CHANGE IN NET POSITION	14,715,375	539,802	15,255,177
NET POSITION, JANUARY 1	121,190,222	38,164,220	159,354,442
NET POSITION, DECEMBER 31	\$ 135,905,597	\$ 38,704,022	\$ 174,609,619

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2025

	General	Tax Increment Financing #3	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 41,913,200	\$ 18,599,081	\$ 16,411,709	\$ 76,923,990
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	14,214,333	1,042,025	3,051,733	18,308,091
Accounts	536,860	4,453	183,033	724,346
Accrued interest	251,355	111,337	114,390	477,082
IRMA excess surplus	2,202,258	-	-	2,202,258
IPBC terminal reserve	3,242,251	-	-	3,242,251
Leases	2,117,682	-	-	2,117,682
Prepaid items	27,724	-	8,324	36,048
Inventory	14,935	-	-	14,935
Due from other governments	5,966,777	-	151,696	6,118,473
Advances to other funds	1,300,000	-	-	1,300,000
TOTAL ASSETS	\$ 71,787,375	\$ 19,756,896	\$ 19,920,885	\$ 111,465,156
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 554,314	\$ 96,544	\$ 913,063	\$ 1,563,921
Accrued payroll	1,383,753	-	-	1,383,753
Due to other governments	544,539	-	-	544,539
Other payables	2,805,137	84,433	196,057	3,085,627
Unearned revenue	648,861	-	2,100	650,961
Due to fiduciary funds	1,441,953	-	-	1,441,953
Total liabilities	7,378,557	180,977	1,111,220	8,670,754
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	11,942,296	-	1,935,683	13,877,979
Leases	1,962,702	-	-	1,962,702
Total deferred inflows of resources	13,904,998	-	1,935,683	15,840,681
Total liabilities and deferred inflows of resources	21,283,555	180,977	3,046,903	24,511,435
FUND BALANCES				
Nonspendable				
Inventory	14,935	-	-	14,935
Prepaid items	27,724	-	8,324	36,048
Advances	1,300,000	-	-	1,300,000
Restricted				
Public safety	-	-	519,272	519,272
Highways and streets	-	-	7,421,124	7,421,124
Debt service	-	-	684,321	684,321
Community development	-	19,575,919	4,417,231	23,993,150
Special service areas	-	-	751,634	751,634
Assigned				
Village Hall improvements	6,410,954	-	-	6,410,954
Capital improvements	-	-	3,072,076	3,072,076
Unassigned	42,750,207	-	-	42,750,207
Total fund balances	50,503,820	19,575,919	16,873,982	86,953,721
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 71,787,375	\$ 19,756,896	\$ 19,920,885	\$ 111,465,156

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 86,953,721
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	91,659,043
Less amount reported in internal service funds below	(5,197,100)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(6,410,000)
Unamortized premiums on bonds are reported as liabilities on the statement of net position	(849,399)
Unamortized loss on refundings are not due and payable in the current period and, therefore, are not reported in the governmental funds	106,612
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(21,717)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(3,012,010)
Net pension asset for the following is shown as an asset on the statement of net position Sheriff's Law Enforcement Personnel Fund	395,607
Net pension liability for the following is shown as a liability on the statement of net position	
Illinois Municipal Retirement Fund	(3,774,123)
Police Pension	(22,657,480)
Firefighters' Pension	(10,380,187)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows of resources on the statement of net position	
Illinois Municipal Retirement Fund and	2,384,930
Sheriff's Law Enforcement Personnel Fund	25,687
OPEB liability	(2,371,229)
Police Pension	(1,359,096)
Firefighters' Pension	(1,906,588)
The OPEB liability is not due and payable in the current period and, therefore, are not reported in the governmental funds	(5,674,106)
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>17,993,032</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 135,905,597</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the Year Ended December 31, 2025

	General	<i>(Formerly Major)</i> Motor Fuel Tax	Tax Increment Financing #3	<i>(Formerly Major)</i> Capital Projects	Nonmajor Governmental	Total Governmental
REVENUES						
Taxes	\$ 26,338,791	\$ -	\$ 2,214,379	\$ -	\$ 3,834,220	\$ 32,387,390
Intergovernmental	18,668,991	-	-	-	2,280,943	20,949,934
Licenses and permits	958,619	-	-	-	2,140	960,759
Charges for services	3,032,097	-	-	-	-	3,032,097
Fines and forfeitures	1,173,820	-	-	-	61,727	1,235,547
Investment income	1,631,784	-	686,419	-	604,671	2,922,874
Miscellaneous	78,083	-	39,159	-	39,346	156,588
Total revenues	51,882,185	-	2,939,957	-	6,823,047	61,645,189
EXPENDITURES						
Current						
General government	6,519,621	-	-	-	2,164	6,521,785
Public works	5,209,648	-	-	-	-	5,209,648
Public safety	29,048,390	-	-	-	144,814	29,193,204
Community development	4,258,631	-	331,552	-	365,691	4,955,874
Highways and streets	-	-	-	-	1,526,583	1,526,583
Capital outlay	-	-	469,396	-	3,206,566	3,675,962
Debt service						
Principal	-	-	-	-	1,135,000	1,135,000
Interest and fiscal charges	-	-	-	-	305,696	305,696
Total expenditures	45,036,290	-	800,948	-	6,686,514	52,523,752
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,845,895	-	2,139,009	-	136,533	9,121,437
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,346,500	1,346,500
Transfers (out)	(1,379,886)	-	-	-	-	(1,379,886)
Sale of capital assets	317,327	-	-	-	7,600	324,927
Total other financing sources (uses)	(1,062,559)	-	-	-	1,354,100	291,541
NET CHANGE IN FUND BALANCES	5,783,336	-	2,139,009	-	1,490,633	9,412,978
FUND BALANCES, JANUARY 1, AS REPORTED	42,852,062	1,371,624	17,436,910	2,069,977	11,941,748	75,672,321
Error correction	1,868,422	-	-	-	-	1,868,422
Change within financial reporting entity	-	(1,371,624)	-	(2,069,977)	3,441,601	-
Total restatements	1,868,422	(1,371,624)	-	(2,069,977)	3,441,601	1,868,422
FUND BALANCES, JANUARY 1, AS RESTATED	44,720,484	-	17,436,910	-	15,383,349	77,540,743
FUND BALANCES, DECEMBER 31	\$ 50,503,820	\$ -	\$ 19,575,919	\$ -	\$ 16,873,982	\$ 86,953,721

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

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 December 31, 2025

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 9,412,978
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,590,401
The gain (loss) on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense	(244,540)
Less amount reported in internal service funds below	28,173
 The repayment and refunding of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Principal repaid	1,135,000
 The change in accrued interest payable is shown as a reduction to expense on the statement of activities	3,433
 Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(3,798,407)
Amortization	148,558
Less amount reported in internal service funds below	1,294,965
 The change in the compensated absences liability is an expense on the statement of activities	1,404,942
 The change in the OPEB liability is reported only in the statement of activities	153,612
 The change in the net pension liabilities and assets are reported only in the statement of activities	
Illinois Municipal Retirement Fund and	(282,464)
Sheriff's Law Enforcement Personnel Fund	38,768
Police Pension	6,400,814
Firefighters' Pension	3,647,603
 The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund and	(986,465)
Sheriff's Law Enforcement Personnel Fund	(31,728)
OPEB liability	(340,716)
Police Pension	(4,785,390)
Firefighters' Pension	(2,853,081)
 The change in net position of certain activities of internal service funds is in governmental funds	1,778,919
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 14,715,375</u></u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 7,881,512	\$ 319,643	\$ 8,201,155	\$ 13,094,229
Receivables				
Accounts	1,344,080	-	1,344,080	-
Accrued interest	271,916	-	271,916	187,183
IRMA excess surplus	1,977,945	26,185	2,004,130	-
IPBC terminal reserve	573,866	37,116	610,982	-
IEPA loan	3,787,483	-	3,787,483	-
Prepaid items	14,723	-	14,723	-
Total current assets	15,851,525	382,944	16,234,469	13,281,412
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	5,806,054	1,317,517	7,123,571	72,395
Depreciable, net of accumulated depreciation	28,526,648	869,296	29,395,944	5,124,705
Total noncurrent assets	34,332,702	2,186,813	36,519,515	5,197,100
Total assets	50,184,227	2,569,757	52,753,984	18,478,512
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,036,625	55,410	1,092,035	-
OPEB items	283,446	23,416	306,862	-
Asset retirement obligation items	299,220	-	299,220	-
Total deferred outflows of resources	1,619,291	78,826	1,698,117	-
Total assets and deferred outflows of resources	51,803,518	2,648,583	54,452,101	18,478,512
CURRENT LIABILITIES				
Accounts payable	1,214,250	4,086	1,218,336	67,303
Accrued payroll	231,182	12,134	243,316	-
Deposits	23,900	550	24,450	-
Advances from other funds	-	1,300,000	1,300,000	-
Subscriptions payable, current	-	-	-	74,330
Compensated absences payable, current	179,299	-	179,299	-
Total OPEB liability, current	39,122	3,232	42,354	-
Total current liabilities	1,687,753	1,320,002	3,007,755	141,633
LONG-TERM LIABILITIES				
Subscriptions payable	-	-	-	343,847
IEPA loans payable	8,331,075	-	8,331,075	-
Compensated absences	537,897	-	537,897	-
Net pension liability	1,628,763	87,061	1,715,824	-
Asset retirement obligation	350,000	-	350,000	-
Total OPEB liability	959,706	79,284	1,038,990	-
Total long-term liabilities	11,807,441	166,345	11,973,786	343,847
Total liabilities	13,495,194	1,486,347	14,981,541	485,480

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	\$ 7,383	\$ 395	\$ 7,778	\$ -
OPEB items	700,860	57,900	758,760	-
Total deferred outflows of resources	708,243	58,295	766,538	-
Total liabilities and deferred inflows of resources	14,203,437	1,544,642	15,748,079	485,480
NET POSITION				
Net investment in capital assets	25,919,527	2,186,813	28,106,340	4,778,923
Unrestricted (deficit)	11,680,554	(1,082,872)	10,597,682	13,214,109
TOTAL NET POSITION	<u>\$ 37,600,081</u>	<u>\$ 1,103,941</u>	<u>\$ 38,704,022</u>	<u>\$ 17,993,032</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 11,079,275	\$ 148,008	\$ 11,227,283	\$ 2,830,132
Total operating revenues	11,079,275	148,008	11,227,283	2,830,132
OPERATING EXPENSES				
Administration	2,676,257	-	2,676,257	-
Operations	9,984,111	364,591	10,348,702	218,498
Depreciation	1,175,309	77,887	1,253,196	1,294,965
Total operating expenses	13,835,677	442,478	14,278,155	1,513,463
OPERATING INCOME (LOSS)	(2,756,402)	(294,470)	(3,050,872)	1,316,669
NON-OPERATING REVENUES (EXPENSES)				
Investment income (loss)	334,114	(72)	334,042	441,337
Infrastructure surcharge	3,201,515	-	3,201,515	-
Interest and fiscal charges	(87,979)	-	(87,979)	(12,523)
Loss on the sale of capital assets	-	-	-	50
Total non-operating revenues (expenses)	3,447,650	(72)	3,447,578	428,864
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS	691,248	(294,542)	396,706	1,745,533
TRANSFERS IN	-	-	-	33,386
CAPITAL GRANTS	143,096	-	143,096	-
CHANGE IN NET POSITION	834,344	(294,542)	539,802	1,778,919
NET POSITION, JANUARY 1	36,765,737	1,398,483	38,164,220	16,214,113
NET POSITION, DECEMBER 31	<u>\$ 37,600,081</u>	<u>\$ 1,103,941</u>	<u>\$ 38,704,022</u>	<u>\$ 17,993,032</u>

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 13,896,370	\$ 143,214	\$ 14,039,584	\$ -
Receipts from interfund services	-	-	-	2,871,159
Payments to suppliers	(10,163,270)	(109,774)	(10,273,044)	(446,601)
Payments to employees	(2,751,424)	(211,674)	(2,963,098)	-
Net cash from operating activities	981,676	(178,234)	803,442	2,424,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	-	-	-	33,386
Net cash from noncapital financing activities	-	-	-	33,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	285,835	-	285,835	-
Capital assets purchased	(4,689,601)	-	(4,689,601)	(1,303,983)
Proceeds from sale of capital assets	-	-	-	28,223
Proceeds from IEPA loans	971,689	-	971,689	-
Principal paid - IEPA loans	(203,083)	-	(203,083)	-
Principal paid - subscriptions payable	-	-	-	(70,055)
Interest paid	(80,725)	(72)	(80,797)	(12,523)
Net cash from capital and related financing activities	(3,715,885)	(72)	(3,715,957)	(1,358,338)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	246,861	-	246,861	446,899
Net cash from investing activities	246,861	-	246,861	446,899
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,487,348)	(178,306)	(2,665,654)	1,546,505
CASH AND CASH EQUIVALENTS, JANUARY 1	10,368,860	497,949	10,866,809	11,547,724
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 7,881,512	\$ 319,643	\$ 8,201,155	\$ 13,094,229

(This statement is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,756,402)	\$ (294,470)	\$ (3,050,872)	\$ 1,316,669
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,175,309	77,887	1,253,196	1,294,965
Other non-operating revenues	3,201,515	-	3,201,515	-
Changes in assets and liabilities				
Accounts receivable	(47,225)	-	(47,225)	41,027
IRMA excess surplus	(273,138)	-	(273,138)	
IPBC terminal reserve	(64,057)	(4,794)	(68,851)	
Prepaid items	(350)	-	(350)	-
Deferred outflows - IMRF	389,641	16,807	406,448	-
Deferred outflows - OPEB	70,905	2,705	73,610	-
Accounts payable	(864,789)	376	(864,413)	(228,103)
Accrued payroll	82,674	3,745	86,419	-
Deposits	6,000	-	6,000	-
Compensated absences	18,380	-	18,380	-
Net pension liability	162,532	12,927	175,459	-
Total OPEB liability	(81,250)	2,899	(78,351)	-
Deferred inflows - IMRF	(8,254)	(355)	(8,609)	-
Deferred inflows - OPEB	(29,815)	4,039	(25,776)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 981,676	\$ (178,234)	\$ 803,442	\$ 2,424,558
NONCASH TRANSACTIONS				
Acquisition of capital assets through accounts payable	\$ (82,100)	\$ -	\$ (82,100)	\$ -
IEPA loan payable	(3,787,483)	-	(3,787,483)	-
IEPA loan receivable	3,787,483	-	3,787,483	-
Total noncash transactions	\$ (82,100)	\$ -	\$ (82,100)	\$ -

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2025

	Pension Trust
ASSETS	
Cash and cash equivalents	\$ 759,170
Investments	
Illinois Police Officers' Pension Investment Fund	61,869,053
Illinois Firefighters' Pension Investment Fund	36,913,551
Prepaid items	5,305
Due from municipality	1,441,953
Total assets	100,989,032
LIABILITIES	
Accounts payable	2,480
Total liabilities	2,480
NET POSITION RESTRICTED FOR PENSIONS	\$ 100,986,552

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2025

ADDITIONS

Contributions

Employer contributions \$ 6,696,397

Employee contributions 1,078,494

Total contributions 7,774,891

Investment income

Net appreciation in fair
value of investments 13,718,017

Interest 1,071,127

Total investment income 14,789,144

Less investment expense (115,891)

Net investment income 14,673,253

Total additions 22,448,144

DEDUCTIONS

Benefits and refunds 6,163,672

Administrative expenses 92,180

Total deductions 6,255,852

NET INCREASE 16,192,292

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1 84,794,260

December 31 \$ 100,986,552

See accompanying notes to financial statements.

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hanover Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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 Village's accounting policies are described below.

a. Reporting Entity

The Village was incorporated in 1958. The Village is a municipal corporation governed by an elected seven-member board. The Village operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning and general administrative services. As required by GAAP, these financial statements present the Village (the primary government) and its component units.

Blended Component Units

Management has determined that there are two blended component units that are required to be included in the financial statements of the Village as pension trust funds.

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the PPERS is fiscally dependent on the Village. PPERS does not issue a stand-alone financial report.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership and two firefighter employees elected by the membership constitute the pension board. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, FPERS is fiscally dependent on the Village. FPERS does not issue a stand-alone financial report.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. 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 of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, 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 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with the Village's operations that are not accounted for in another fund.

The TIF #3 Fund is used to account for the restricted financing of improvements in the Village Center Tax Increment Financing Redevelopment Project Area. Financing is being provided by incremental revenues from real property taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major proprietary funds:

The Waterworks and Sewerage Fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

The Village reports the following fiduciary funds:

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

Additionally, the Village reports the following internal service funds:

The Central Equipment Fund accounts for the purchase of vehicles and equipment for various department throughout the Village.

The IT Equipment Replacement Fund accounts for the purchase of computer equipment for departments throughout the Village.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

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 recognized when susceptible to accrual (i.e., when they become 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 Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. Sales taxes, telecommunications taxes and use taxes use a 90-day period. Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Village reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village 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 government has a legal claim to the resources, the liability/deferred inflow of resources is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other fund” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental fund financial statements to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory in governmental funds are accounted for using the consumption method.

h. Prepaid Items/Expenses

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

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure has been reported retroactively. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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 is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-50
Machinery, equipment and vehicles	3-20
Improvements other than buildings	10-20
Infrastructure	25-75

Intangible assets represent the Village's right-to-use subscription-based information technology. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for subscription contracts of nonfinancial assets including software. These intangible assets are amortized over the shorter of the subscription term or useful life of the underlying asset.

j. Compensated Absences

The Village's policy allows full-time employees to earn varying amounts of vacation and sick pay for each year employed. Employees accrue vacation between two to four weeks. Employees are eligible to accrue vacation based on their length of service with the Village. Employees may not accrue more than 45 days. Employees shall accrue sick leave on a bi-weekly basis at a rate equivalent to one working day for each full month of service. Employees working a 24-hour shift schedule will accrue sick leave 12 hours of sick leave per month in a manner consistent with current department procedures and practices.

In accordance with GASB Statement No. 101, *Compensated Absences*, vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

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.

l. Fund Equity/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. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Director of Finance through the Village's fund balance policy. Any residual fund balance of the General Fund or any deficit fund balance in other governmental funds is reported as unassigned.

The Village's flow of funds policy 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 Village considers committed funds to be expended first followed by assigned and then unassigned funds. For net position, restricted funds are spent first then unrestricted funds.

The Village has established a fund balance policy for the General Fund. It is the Village's policy that the General Fund's combined assigned and unassigned fund balance should be maintained at a minimum of 25% of the General Fund total budgeted annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Equity/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt to acquire or construct the capital assets as well as any other non-debt capital related liabilities.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village, except for the MWRD Fields Fund.

m. Interfund Transactions

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

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

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The investments are governed by the investment policy adopted by the Village Board of Trustees.

The Village's investment policy authorizes the Village to make deposits/invest 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 Government or agreements to repurchase these same obligations, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Funds, Illinois Metropolitan Investment Fund (IMET), and the Illinois Public Reserves Investment Management Trust (IPRIME).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and U.S. Government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a market value of 110% of all bank balances in excess of federal depository insurance to be held by the Village's agent in the Village's name. At December 31, 2025, all of the Village's deposits were fully collateralized.

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2025:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury securities	\$ 8,241,938	\$ 8,241,938	\$ -	\$ -	\$ -
Negotiable certificates of deposits	2,958,238	-	2,958,238	-	-
Illinois Metropolitan Investment Fund	122,303	-	122,303	-	-
TOTAL	\$ 11,322,479	\$ 8,241,938	\$ 3,080,541	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment states the investment portfolio shall be structured so that securities mature to meet cash requirements for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the maximum maturity. The Village will not directly invest in securities maturing more than five years from the date of purchase unless matched to a specific cash flow. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

The Village has the following recurring fair value measurements as of December 31, 2025: the IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 2 input). The U.S. Treasury securities and the negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and the other securities noted above. The Illinois Funds and IPRIME are rated AAAM by Standard and Poor's. IMET is rated AAAf/bf by Moody's. The U.S. Treasury securities and 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 Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village'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 a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. The Illinois Funds, IMET, and IPRIME are not subject to custodial credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment from a single issuer. At year-end, the Village does not have any investments over 5% of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

3. RECEIVABLES - TAXES

Property taxes for 2024 attached as an enforceable lien on January 1, 2024, 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 DuPage County and issued on or about April 1 and are payable in two installments, on or about June 1 and September 1. Tax bills are prepared by Cook County and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 1. The counties collect such taxes and remit them periodically.

The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has been recorded as a receivable and unavailable/deferred revenue as of December 31, 2025 as the tax has been levied by the Village and is intended to fund the 2026 fiscal year.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated/amortized				
Land	\$ 4,437,543	\$ -	\$ 20,000	\$ 4,417,543
Permanent easements	33,873	-	-	33,873
Right of way	25,058,691	-	-	25,058,691
Construction in progress	74,880	2,438,204	-	2,513,084
Total capital assets not being depreciated/ amortized	29,604,987	2,438,204	20,000	32,023,191
Capital assets being depreciated/amortized				
Buildings	41,815,258	43,802	463,968	41,395,092
Machinery, equipment and vehicles	20,864,377	1,365,966	260,184	21,970,159
Improvements other than buildings	11,961,780	-	41,572	11,920,208
Infrastructure	46,203,142	46,412	-	46,249,554
Subscription assets	828,447	-	-	828,447
Total capital assets being depreciated/ amortized	121,673,004	1,456,180	765,724	122,363,460
Less accumulated depreciation/amortization for				
Buildings	13,081,774	924,327	315,265	13,690,836
Machinery, equipment and vehicles	13,227,493	1,596,498	184,347	14,639,644
Improvements other than buildings	3,133,106	466,992	41,572	3,558,526
Infrastructure	29,751,863	718,525	-	30,470,388
Subscription assets	276,149	92,065	-	368,214
Total accumulated depreciation/amortization	59,470,385	3,798,407	541,184	62,727,608
Total capital assets being depreciated/ amortized, net	62,202,619	(2,342,227)	224,540	59,635,852
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 91,807,606	\$ 95,977	\$ 244,540	\$ 91,659,043

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 1,317,925
Public works	1,185,517
Internal service	<u>1,294,965</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,798,407</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,254,634	\$ -	\$ -	\$ 2,254,634
Construction in progress	5,490,384	4,400,003	5,021,450	4,868,937
Total capital assets not being depreciated	7,745,018	4,400,003	5,021,450	7,123,571
Capital assets being depreciated				
Buildings and structures	12,683,734	40,000	-	12,723,734
Machinery, equipment and vehicles	3,803,541	10,921	41,108	3,773,354
Improvements other than buildings	11,443,598	5,342,227	-	16,785,825
Underground systems	25,427,134	-	-	25,427,134
Total capital assets being depreciated	53,358,007	5,393,148	41,108	58,710,047
Less accumulated depreciation for				
Building and structures	8,002,019	216,742	-	8,218,761
Machinery and equipment	2,886,430	93,969	41,108	2,939,291
Improvements other than buildings	7,664,716	465,413	-	8,130,129
Underground systems	9,548,850	477,072	-	10,025,922
Total accumulated depreciation	28,102,015	1,253,196	41,108	29,314,103
Total capital assets being depreciated, net	25,255,992	4,139,952	-	29,395,944
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 33,001,010</u>	<u>\$ 8,539,955</u>	<u>\$ 5,021,450</u>	<u>\$ 36,519,515</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES	
Waterworks and sewerage	\$ 1,175,309
Municipal railroad parking lot	<u>77,887</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u><u>\$ 1,253,196</u></u>

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

5. RISK MANAGEMENT (Continued)

a. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by its members to their officers and employees, and to the officers and employees of certain other governmental, quasi-governmental and nonprofit public service entities. The Village's payments to IPBC are displayed on the financial statements as expenses in the appropriate funds.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Benefit Administrator and a Treasurer. The Village does not exercise any control over activities of IPBC beyond its representation on the Board of Directors.

A terminal reserve deposit of \$3,853,233 is being held at IPBC at December 31, 2025.

b. Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is a public entity risk pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenses in the appropriate funds.

Risk of loss is transferred, except that each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village had no liabilities to IRMA as of December 31, 2025.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 7,545,000	\$ -	\$ 1,135,000	\$ 6,410,000	\$ 1,185,000
Unamortized bond premium	1,019,279	-	169,880	849,399	-
Subscriptions payable	488,232	-	70,055	418,177	74,330
Compensated absences*	4,416,952	-	1,404,942	3,012,010	753,003
Net pension liability - IMRF	3,491,659	282,464	-	3,774,123	-
Net pension liability - Police Pension	29,058,294	-	6,400,814	22,657,480	-
Net pension liability - Firefighters' Pension	14,027,790	-	3,647,603	10,380,187	-
Total OPEB liability	5,827,718	-	153,612	5,674,106	222,245
TOTAL GOVERNMENTAL ACTIVITIES	\$ 65,874,924	\$ 282,464	\$ 12,981,906	\$ 53,175,482	\$ 2,234,578

The net pension liabilities and total OPEB liability have typically been liquidated by the General Fund.

*The amount displayed as additions or reductions represents the net change in the liability.

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA loans payable	\$ 3,774,986	\$ 4,759,172	\$ 203,083	\$ 8,331,075	\$ -
Compensated absences*	698,816	18,380	-	717,196	179,299
Net pension liability - IMRF	1,540,365	175,459	-	1,715,824	-
Total OPEB liability	1,159,695	-	78,351	1,081,344	42,354
Asset retirement obligation	350,000	-	-	350,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 7,523,862	\$ 4,953,011	\$ 281,434	\$ 12,195,439	\$ 221,653

*The amount displayed as additions or reductions represents the net change in the liability.

b. General Obligation Bonds

The Village issues general obligation bonds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. General Obligation Bonds (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$12,980,000 General Obligation Refunding Bond Series of 2020, due in annual installments of \$970,000 to \$1,385,000, plus interest of 4.00% through December 1, 2030.	General Obligation Bond Series of 2020	\$ 7,545,000	\$ -	\$ 1,135,000	\$ 6,410,000	\$ 1,185,000
TOTAL		\$ 7,545,000	\$ -	\$ 1,135,000	\$ 6,410,000	\$ 1,185,000

c. Subscriptions Payable

On March 1, 2023, the Village entered into a subscription arrangement for public safety software lasting through September 1, 2030 with an interest rate of 2.57%. Annual payments ranging from \$82,579 through \$95,732 are due through the end of the subscription term. At December 31, 2025, the Village reported subscription assets of \$828,447 and liabilities in the amount of \$418,177. Principal reduction of \$70,055 was reported for the year ended December 31, 2025.

d. IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loan currently outstanding is as follows:

	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
IEPA (L17-6353) Loan Payable of 2024 - \$5,100,000 authorized loan amount, including interest at 1.81%, maturing December 12, 2044.*	Waterworks and Sewerage	\$ 3,774,986	\$ 971,689	\$ 203,083	\$ 4,543,592	\$ -
IEPA (L17-6354) Loan Payable of 2025 - \$4,149,024 authorized loan amount, including interest at 1.87%, maturing October 29, 2045.*	Waterworks and Sewerage	-	3,787,483	-	3,787,483	-
TOTAL		\$ 3,774,986	\$ 4,759,172	\$ 203,083	\$ 8,331,075	\$ -

*These loans are still in the disbursement period, and as such, do not have a formalized debt service to maturity schedule as of December 31, 2025.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending December 31,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2026	\$ 1,185,000	\$ 256,400
2027	1,230,000	209,000
2028	1,280,000	159,800
2029	1,330,000	108,600
2030	1,385,000	55,400
TOTAL	\$ 6,410,000	\$ 789,200
Fiscal Year Ending December 31,	Governmental Activities Subscriptions Payable	
	Principal	Interest
2026	\$ 74,330	\$ 10,726
2027	78,788	8,820
2028	83,437	6,799
2029	88,284	4,659
2030	93,338	2,394
TOTAL	\$ 418,177	\$ 33,398

f. Legal Debt Margin

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date July 1, 1971 of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

g. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance state requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year as well as engineering estimates. The estimated useful lives of the water wells is 100 years.

7. INDIVIDUAL FUND DISCLOSURES

Individual fund transfers made during the fiscal year consist of the following:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 1,379,886
Nonmajor Governmental	1,346,500	-
Internal Service	33,386	-
TOTAL	\$ 1,379,886	\$ 1,379,886

Interfund transfers during the year ended December 31, 2025 consisted of the following:

- \$1,379,886 transferred from the General Fund to the Nonmajor Governmental Funds and Internal Service Fund for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances to/from other funds at year end consist of the following:

Fund	Receivable	Payable
General	\$ 1,300,000	\$ -
Nonmajor Enterprise	-	1,300,000
TOTAL	\$ 1,300,000	\$ 1,300,000

Interfund advances represents a loan from General Fund to the Nonmajor Enterprise Fund (Municipal Commuter Parking Fund). These amounts will be repaid over several years.

8. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

c. Northwest Suburban Municipal Joint Action Water Agency

The Village's water purchase contract with JAWA provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Economic Incentive Agreements

The Village has entered into an economic development agreement with one company to provide property tax rebates as allowed under state statute. The agreement requires the Village to rebate 50% of annual TIF increment property taxes up to a maximum of \$2,000,000 beyond a threshold of \$250,000. The total cumulative expenditures incurred under this agreement is \$464,115 as of December 31, 2025.

The Village has an agreement with a Developer for incremental real estate taxes generated from the Redevelopment Project up to a maximum of \$1,900,000. Those incremental real estate shall be the source of funding for reimbursing the Developer for up to \$1.2M of its Redevelopment Project Cost and satisfying the \$700,000 Notes. The Village and the business will share the incremented property taxes 50/50 until the \$700,000 is reached. The \$700,000 was paid in full in June 2017. For the reimbursement of the Developer the total cumulative expenditures incurred under this agreement is \$1,125,561 as of December 31, 2025.

9. TAX ABATEMENTS

The Village rebates sales taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

9. TAX ABATEMENTS (Continued)

The Village has an agreement with a developer to rebate 50% of sales tax collected including both the Retailers Occupation Tax (1%) and the Home Rule Municipal Tax (0.50%) to increase sales tax collection. Up to nine employees would be transferred to the Hanover Park location. The agreement requires the Village to rebate to the developer the sales taxes semi-annually based upon sales taxes actually received for a term of ten years that expires on December 31, 2028.

Total rebates incurred for this agreement during the year ended December 31, 2025 was \$3,473,071. A liability of \$1,809,846 has been reported as of December 31, 2025 and is included in accounts payables and other payables. The total expenditures incurred to date in rebates for the currently effective agreements as of December 31, 2025 is \$46,997,232.

10. JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

The Village is a member of JAWA which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

The seven members of JAWA as of December 31, 2025 are as follows:

Village of Elk Grove Village
Village of Hanover Park
Village of Hoffman Estates
Village of Mount Prospect
Village of Rolling Meadows
Village of Schaumburg
Village of Streamwood

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. JOINT VENTURES (Continued)

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges and all rates, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2032. The agreements are irrevocable and may not be terminated or amended except as provided in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago (the City) under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of JAWA through the year 2035.

The obligation of the Village to make all payments as required by this agreement is unconditional and irrevocable, without regard to performance or nonperformance by JAWA of its obligations under this agreement.

The payments required to be made by the Village under this agreement shall be required to be made solely from revenues to be derived by the Village from the operation of the Waterworks and Sewerage System. Members are not prohibited by the agreement from using other available funds to make payments under the agreement. This agreement shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

The obligation of the Village to make payments required by this agreement from revenues of the Waterworks and Sewerage System shall be payable from the operation and maintenance account of the Waterworks and Sewerage Fund.

In accordance with the joint venture agreement, the Village remitted \$5,633,567 to JAWA for the year ended December 31, 2025. All payments were paid from the Waterworks and Sewerage Fund.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS

The Village contributes to four defined benefit pension plans, Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP), agent multiple-employer public employee retirement systems; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

The table below is a summary for all pension plans as of and for the year ended December 31, 2025:

	IMRF Regular	IMRF SLEP	Police Pension	Firefighters' Pension	Total
Net pension asset	\$ -	\$ 395,607	\$ -	\$ -	\$ 395,607
Net pension liability	5,489,947	-	22,657,480	10,380,187	38,527,614
Deferred outflows of resources	3,494,072	25,687	3,464,345	1,585,627	8,569,731
Deferred inflows of resources	24,885	-	4,823,441	3,492,215	8,340,541
Pension expense (income)	2,672,541	(7,040)	2,758,480	1,527,574	6,951,555

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. *Plan Membership*

At December 31, 2024, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	160	2
Inactive employees entitled to but not yet receiving benefits	111	-
Active employees	105	-
TOTAL	376	2

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

b. *Benefits Provided*

Illinois Municipal Retirement Fund

All employees (other than those covered by SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Sheriff's Law Enforcement Personnel

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

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 members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

b. *Benefits Provided (Continued)*

Sheriff's Law Enforcement Personnel (Continued)

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

c. *Contributions*

The Village is required to contribute the remaining amounts necessary to fund IMRF and SLEP as specified by statute. The employer contribution for the fiscal year ended December 31, 2025 was 9.20% of covered payroll for IMRF and 0.00% for SLEP.

d. *Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2024	December 31, 2024
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.25%	2.25%
Salary increases	2.85% to 13.75%	2.85% to 13.75%
Interest rate	7.25%	7.25%
Cost of living adjustments	3.00%	3.00%
Asset valuation method	Fair value	Fair value

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

d. *Actuarial Assumptions (Continued)*

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

e. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25% for IMRF and SLEP. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF and SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

f. *Long-Term Expected Rate of Return*

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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85% to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

g. *Changes in the Net Pension Liability*

Illinois Municipal Retirement Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 62,492,167	\$ 57,460,143	\$ 5,032,024
Changes for the period			
Service cost	737,498	-	737,498
Interest	4,408,897	-	4,408,897
Difference between expected and actual experience	1,527,535	-	1,527,535
Changes in assumptions	-	-	-
Employer contributions	-	781,742	(781,742)
Employee contributions	-	429,596	(429,596)
Net investment income	-	5,824,602	(5,824,602)
Benefit payments and refunds	(4,097,089)	(4,097,089)	-
Other (net transfer)	-	(819,933)	819,933
Net changes	2,576,841	2,118,918	457,923
BALANCES AT DECEMBER 31, 2024	\$ 65,069,008	\$ 59,579,061	\$ 5,489,947

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

g. *Changes in the Net Pension Liability (Continued)*

Sheriff's Law Enforcement Personnel Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2024	\$ 613,574	\$ 970,413	\$ (356,839)
Changes for the period			
Service cost	-	-	-
Interest	42,436	-	42,436
Difference between expected and actual experience	8,994	-	8,994
Changes in assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	-	-
Net investment income	-	102,604	(102,604)
Benefit payments and refunds	(56,508)	(56,508)	-
Other (net transfer)	-	(12,406)	12,406
Net changes	(5,078)	33,690	(38,768)
BALANCES AT DECEMBER 31, 2024	\$ 608,496	\$ 1,004,103	\$ (395,607)

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- h. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

Illinois Municipal Retirement Fund

For the year ended December 31, 2025, the Village recognized pension expense of \$2,672,541. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,296,573	\$ -
Changes in assumption	-	24,885
Net difference between projected and actual earnings on pension plan investments	1,365,316	-
Contributions subsequent to measurement date	832,183	-
TOTAL	\$ 3,494,072	\$ 24,885

\$832,183 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. The remaining amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ 1,526,963
2027	2,258,366
2028	(789,712)
2029	(358,613)
2030	-
Thereafter	-
TOTAL	\$ 2,637,004

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- h. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Sheriff's Law Enforcement Personnel Fund

For the year ended December 31, 2025, the Village recognized pension expense (income) of \$(7,040). At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	25,687	-
TOTAL	\$ 25,687	\$ -

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

<u>Year Ending December 31,</u>	
2026	\$ 12,512
2027	35,657
2028	(15,531)
2029	(6,951)
2030	-
Thereafter	-
TOTAL	\$ 25,687

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

i *Discount Rate Sensitivity*

Illinois Municipal Retirement Fund

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 12,200,881	\$ 5,489,947	\$ 24,528

Sheriff's Law Enforcement Personnel Fund

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (347,253)	\$ (395,607)	\$ (438,097)

Police Pension Plan

a. *Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

b. *Plan Membership*

At December 31, 2024 (most recent data available), membership consisted of:

Inactive plan members currently receiving benefits	51
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>60</u>
 TOTAL	 <u><u>121</u></u>

c. *Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

c. *Benefits Provided* (Continued)

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

d. *Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended December 31, 2025, the Village's contribution was 62.29% of covered payroll.

e. *Illinois Police Officers' Pension Investment Fund*

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

f. *Deposits with Financial Institutions*

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

f. *Deposits with Financial Institutions* (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the fund's deposits may not be returned to them. The fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

g. *Investments*

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

The investment in money market mutual funds is reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals.

h. *Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2025.

i. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$61,869,053 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

j. *Investment Policy*

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

k. *Investment Rate of Return*

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

l. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2025, using the following actuarial methods and assumptions.

Actuarial valuation date	January 1, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Interest rate	7.00%
Discount rate	7.00%
Inflation	2.50%
Salary increases	3.50%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010(A) study, improved generationally using MP-2021 improvement rates.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

m. *Discount Rate*

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

n. *Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	\$ 82,016,939	\$ 52,958,645	\$ 29,058,294
Changes for the period			
Service cost	1,349,661	-	1,349,661
Interest	5,658,094	-	5,658,094
Benefit changes	-	-	-
Difference between expected and actual experience	860,083	-	860,083
Changes in assumptions	-	-	-
Employer contributions	-	4,373,904	(4,373,904)
Employee contributions	-	698,667	(698,667)
Net investment income	-	9,245,080	(9,245,080)
Benefit payments and refunds	(4,080,172)	(4,080,172)	-
Administrative expense	-	(48,999)	48,999
Net changes	3,787,666	10,188,480	(6,400,814)
BALANCES AT DECEMBER 31, 2025	\$ 85,804,605	\$ 63,147,125	\$ 22,657,480

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

n. *Changes in the Net Pension Liability (Continued)*

The plan fiduciary net position as a percentage of the total pension liability was 73.59% at December 31, 2025.

o. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2025, the Village recognized police pension expense of \$2,758,480.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,928,321	\$ 223,819
Changes in assumption	536,024	84,276
Net difference between projected and actual earnings on pension plan investments	-	4,515,346
TOTAL	\$ 3,464,345	\$ 4,823,441

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ 633,258
2027	(967,499)
2028	(632,520)
2029	(586,400)
2030	180,809
Thereafter	13,256
TOTAL	\$ (1,359,096)

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

p. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 35,203,665	\$ 22,657,480	\$ 12,466,541

Firefighters' Pension Plan

a. *Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

b. *Plan Membership*

At December 31, 2024 (most recent data available), membership consisted of:

Inactive plan members currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	35
TOTAL	85

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

c. *Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of (1) the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or (2) the average monthly salary obtained during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded annually. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

d. *Contributions*

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary.

However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year ended December 31, 2025, the Village's contribution was 58.92% of covered payroll.

e. *Illinois Firefighters' Pension Investment Fund*

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

f. *Net Asset Value*

The NAV of the plan's pooled investment in IFPIF was \$36,913,551 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

g. *Investment Policy*

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

h. *Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the fund's investments.

i. *Rate of Return*

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

j. *Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the fund's deposits may not be returned to them. The fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

k. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2025, using the following actuarial methods and assumptions.

Actuarial valuation date	January 1, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Interest rate	7.00%
Discount rate	7.00%
Inflation	2.50%
Salary increases	3.50%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010(A) study, improved generationally using MP-2021 improvement rates.

l. *Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

m. *Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	\$ 45,863,405	\$ 31,835,615	\$ 14,027,790
Changes for the period			
Service cost	953,976	-	953,976
Interest	3,160,493	-	3,160,493
Benefit changes	-	-	-
Difference between expected and actual experience	325,240	-	325,240
Changes in assumptions	-	-	-
Employer contributions	-	2,322,493	(2,322,493)
Employee contributions	-	372,857	(372,857)
Other contributions	-	6,970	(6,970)
Net investment income	-	5,428,173	(5,428,173)
Benefit payments and refunds	(2,083,500)	(2,083,500)	-
Administrative expense	-	(43,181)	43,181
Net changes	2,356,209	6,003,812	(3,647,603)
BALANCES AT DECEMBER 31, 2025	\$ 48,219,614	\$ 37,839,427	\$ 10,380,187

The plan fiduciary net position as a percentage of the total pension liability was 78.47% at December 31, 2025.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

- n. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2025, the Village recognized firefighters' pension expense of \$1,527,574.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 585,657	\$ 802,058
Changes in assumption	999,970	30,663
Net difference between projected and actual earnings on pension plan investments	-	2,659,494
TOTAL	\$ 1,585,627	\$ 3,492,215

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ 312,181
2027	(1,109,561)
2028	(647,571)
2029	(461,637)
2030	-
Thereafter	-
TOTAL	\$ (1,906,588)

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

o. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 17,359,784	\$ 10,380,187	\$ 4,669,900

12. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

a. *Schedule of Net Position*

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 316,223	\$ 442,947	\$ 759,170
Investments			
Illinois Police Officer's Pension Investment Fund	61,869,053	-	61,869,053
Firefighters' Pension Investment Fund	-	36,913,551	36,913,551
Prepaid items	4,683	622	5,305
Due from municipality	958,521	483,432	1,441,953
Total assets	63,148,480	37,840,552	100,989,032
LIABILITIES			
Accounts payable	1,355	1,125	2,480
Total liabilities	1,355	1,125	2,480
NET POSITION	<u>\$ 63,147,125</u>	<u>\$ 37,839,427</u>	<u>\$ 100,986,552</u>

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 4,373,904	\$ 2,322,493	\$ 6,696,397
Employee	698,667	379,827	1,078,494
Total contributions	5,072,571	2,702,320	7,774,891
Investment income			
Net appreciation in fair value of investments	8,927,991	4,790,026	13,718,017
Interest earned	365,705	705,422	1,071,127
Less investment expense	(48,616)	(67,275)	(115,891)
Net investment income	9,245,080	5,428,173	14,673,253
Total additions	14,317,651	8,130,493	22,448,144
DEDUCTIONS			
Pension benefits and refunds	4,080,172	2,083,500	6,163,672
Administrative expenses	48,999	43,181	92,180
Total deductions	4,129,171	2,126,681	6,255,852
NET CHANGE	10,188,480	6,003,812	16,192,292
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	52,958,645	31,835,615	84,794,260
December 31	\$ 63,147,125	\$ 37,839,427	\$ 100,986,552

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At December 31, 2024 (most recent data available) membership consisted of:

Retirees and beneficiaries currently receiving benefits	40
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>196</u>
TOTAL	<u><u>236</u></u>
Participating employers	<u><u>1</u></u>

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The Village's total OPEB liability of \$6,755,450 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025, as determined by an actuarial valuation as of January 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2025, including updating the discount rate, as noted below:

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.00%
Inflation	2.50%
Discount rate	4.83%
Healthcare cost trend rates	7.80% to 7.90% Initial 5.00% Ultimate

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2025.

Active IMRF Mortality follows PubG-2010(B) Improved Generationally using MP-2021 Improvement Rates, weighted per IMRF Experience Study dated January 4, 2024.

Active Police Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2021 Improvement Rates.

Active Firefighter Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study. These Rates are Improved Generationally using MP-2021 Improvement Rates.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2025	<u>\$ 6,987,413</u>
Changes for the period	
Service cost	337,607
Interest	279,688
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(584,659)
Benefit payments	<u>(264,599)</u>
Net changes	<u>(231,963)</u>
BALANCES AT DECEMBER 31, 2025	<u>\$ 6,755,450</u>

The changes in assumptions related to a change in discount rate from 4.08% to 4.83%.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.83% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83%) or 1 percentage point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Total OPEB liability	\$ 7,553,376	\$ 6,755,450	\$ 6,085,770

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.90% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 6.90%) or 1 percentage point higher (6.00% to 8.90%) than the current rate:

		1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$	5,868,824	\$ 6,755,450	\$ 7,853,334

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Village recognized OPEB expense of \$156,587. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,787	\$ 2,362,215
Changes in assumptions	1,857,266	2,377,965
TOTAL	\$ 1,917,053	\$ 4,740,180

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2026	\$ (196,109)
2027	(196,109)
2028	(151,045)
2029	(319,764)
2030	(370,929)
Thereafter	(1,589,171)
TOTAL	\$ (2,823,127)

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. CONSTRUCTION CONTRACTS

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorizations	Expended to Date	Commitment
2025 Resurfacing Project	\$ 2,540,000	\$ 1,949,478	\$ 590,522
Andover Dr. North Water Main Replacement	4,920,000	4,631,598	288,402
TOTAL	\$ 7,460,000	\$ 6,581,076	\$ 878,924

15. LESSOR DISCLOSURES

The Village is a lessor on the following leases at year end:

Lease	Start Date	End Date	Payments	Interest Rate
Verizon - Hartman Tower	April 1, 2023	March 31, 2035	\$44,056 – 60,984 annually	3.50%
T-Mobile - Morton Tower	May 1, 2023	April 30, 2035	\$53,059 - \$80,176 annually	3.50%
Verizon - Mallard	February 1, 2023	January 1, 2038	\$3,808 - \$5,932 monthly	3.50%
T-Mobile - Morton Tower 2	May 1, 2023	April 30, 2033	\$73,056 - \$103,982 annually	3.50%

Under these lease agreements, the Village recognized \$213,937 of lease revenue and \$78,998 of interest revenue. There were no variable or other payments not previously included in the measurement of the lease receivable recognized in the current year.

16. ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

The Village's beginning fund balance was restated due to a correction of an error related to the recognition of IRMA excess surplus revenue, which resulted in a decrease in unavailable revenue of \$1,868,422 and an increase to opening fund balance of \$1,868,422.

The Village also reported a change within the financial reporting entity in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, which resulted in a decrease in opening fund balance of the Motor Fuel Tax Fund of \$1,371,624, a decrease in the opening fund balance of the Capital Projects Fund of \$2,069,977, and an increase in opening fund balance of the Nonmajor Governmental Funds of \$3,441,601.

VILLAGE OF HANOVER PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

16. ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES
(Continued)

The effect of these changes are summarized in the table below.

	General	Motor Fuel Tax	Capital Projects	Nonmajor Governmental
FUND BALANCE, JANUARY 1, AS REPORTED	\$ 42,852,062	\$ 1,371,624	\$ 2,069,977	\$ 11,941,748
Error correction To correct IRMA revenue recognition	1,868,422	-	-	-
Changes within the financial reporting entity Change in Motor Fuel Tax presentation	-	(1,371,624)	-	1,371,624
Change in Capital Projects presentation	-	-	(2,069,977)	2,069,977
Subtotal	1,868,422	(1,371,624)	(2,069,977)	3,441,601
FUND BALANCE, JANUARY 1, RESTATED	\$ 44,720,484	\$ -	\$ -	\$ 15,383,349

17. SUBSEQUENT EVENTS

During February 2026, the Village entered into a software subscription agreement with Axon Enterprise, Inc. for a five-year contract for digital evidence platform and included hardware, software, and service offerings. The agreement calls for annual payments between \$359,173 to \$359,342 due each February.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Tax Increment Financing #3 Fund
- Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios
 - Other Postemployment Benefits Plan
- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Information
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
 - Illinois Municipal Retirement Fund
 - Sheriff's Law Enforcement Information
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Notes to Required Supplementary Information

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 24,100,969	\$ 24,100,969	\$ 26,338,791
Intergovernmental	16,124,701	16,124,701	18,668,991
Licenses and permits	1,193,500	1,193,500	958,619
Charges for services	2,906,894	2,906,894	3,032,097
Fines and forfeitures	787,000	787,000	1,173,820
Investment income	500,000	500,000	1,631,784
Miscellaneous	71,881	71,881	78,083
Total revenues	45,684,945	45,684,945	51,882,185
EXPENDITURES			
Current			
General government	7,231,120	7,231,120	6,519,621
Public works	5,729,384	5,735,734	5,209,648
Public safety	29,543,785	29,543,785	29,048,390
Community development	2,860,782	4,110,756	4,258,631
Total expenditures	45,365,071	46,621,395	45,036,290
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	319,874	(936,450)	6,845,895
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(1,346,500)	(1,379,886)	(1,379,886)
Sale of capital assets	-	-	317,327
Total other financing sources (uses)	(1,346,500)	(1,379,886)	(1,062,559)
NET CHANGE IN FUND BALANCES	\$ (1,026,626)	\$ (2,316,336)	5,783,336
FUND BALANCE, JANUARY 1, AS REPORTED			42,852,062
Error correction			1,868,422
FUND BALANCE, JANUARY 1, AS RESTATED			44,720,484
FUND BALANCE, DECEMBER 31			\$ 50,503,820

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #3 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,770,000	\$ 1,770,000	\$ 2,214,379
Investment income	75,000	75,000	686,419
Miscellaneous	100	100	39,159
Total revenues	1,845,100	1,845,100	2,939,957
EXPENDITURES			
Current			
Community development			
Commodities	11,250	11,250	8,075
Contractual services	436,100	436,100	323,477
Capital outlay	1,125,000	1,125,000	469,396
Total expenditures	1,572,350	1,572,350	800,948
NET CHANGE IN FUND BALANCE	\$ 272,750	\$ 272,750	2,139,009
FUND BALANCE, JANUARY 1			17,436,910
FUND BALANCE, DECEMBER 31			\$ 19,575,919

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

OTHER POSTEMPLOYMENT BENEFIT PLAN

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL OPEB LIABILITY								
Service cost	\$ 220,378	\$ 195,099	\$ 255,215	\$ 584,904	\$ 582,589	\$ 331,737	\$ 378,593	\$ 337,607
Interest	223,062	247,704	234,820	206,809	203,248	251,873	241,755	279,688
Differences between expected and actual experience	-	-	111,039	-	-	-	410,680	-
Changes of benefit terms	-	-	-	-	(1,450,009)	-	(1,664,204)	-
Changes of assumptions	(590,417)	2,377,075	856,682	(422,722)	(2,123,644)	425,882	391,211	(584,659)
Benefit payments	(294,312)	(291,069)	(289,674)	(255,800)	(259,555)	(356,088)	(372,851)	(264,599)
Net change in total pension liability	(441,289)	2,528,809	1,168,082	113,191	(3,047,371)	653,404	(614,816)	(231,963)
Total OPEB liability - beginning	6,627,403	6,186,114	8,714,923	9,883,005	9,996,196	6,948,825	7,602,229	6,987,413
TOTAL OPEB LIABILITY - ENDING	\$ 6,186,114	\$ 8,714,923	\$ 9,883,005	\$ 9,996,196	\$ 6,948,825	\$ 7,602,229	\$ 6,987,413	\$ 6,755,450
Covered-employee payroll	\$ 15,750,457	\$ 16,681,390	\$ 15,802,144	\$ 16,276,208	\$ 16,831,342	\$ 18,606,108	\$ 19,057,252	\$ 20,012,941
Employer's total OPEB liability as a percentage of covered-employee payroll	39.28%	52.24%	62.54%	61.42%	41.29%	40.86%	36.67%	33.76%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change to the discount rate in 2018 through 2025.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 950,875	\$ 977,967	\$ 936,901	\$ 775,040	\$ 893,629	\$ 958,920	\$ 838,711	\$ 694,996	\$ 783,611	\$ 832,183
Contributions in relation to the actuarially determined contribution	950,875	977,967	936,901	775,040	893,629	958,920	838,711	694,966	783,611	832,183
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ -	\$ -
Covered payroll	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031	\$ 7,598,438	\$ 7,283,037	\$ 7,632,327	\$ 7,837,393	\$ 8,224,801	\$ 8,803,399	\$ 9,045,467
Contributions as a percentage of covered payroll	14.01%	13.72%	12.98%	10.20%	12.27%	12.56%	10.70%	8.45%	8.90%	9.20%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 2,153,658	\$ 2,273,048	\$ 2,457,076	\$ 2,622,455	\$ 2,890,977	\$ 3,462,567	\$ 371,615	\$ 3,655,811	\$ 4,090,236	\$ 4,373,805
Contribution in relation to the actuarially determined contribution	2,153,658	2,300,432	2,477,582	2,658,387	2,897,330	3,481,268	3,797,383	3,677,967	4,061,646	4,373,904
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ (27,384)	\$ (20,506)	\$ (35,932)	\$ (6,353)	\$ (18,701)	\$ (3,425,768)	\$ (22,156)	\$ 28,590	\$ (99)
Covered payroll	\$ 5,140,730	\$ 5,341,112	\$ 5,242,425	\$ 5,243,756	\$ 5,733,666	\$ 5,376,171	\$ 6,320,639	\$ 6,547,579	\$ 6,776,774	\$ 7,022,090
Contributions as a percentage of covered payroll	41.89%	43.07%	47.26%	50.70%	50.53%	64.75%	60.08%	56.17%	59.93%	62.29%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 9.78 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 3.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 1,220,758	\$ 1,351,723	\$ 1,517,169	\$ 1,594,025	\$ 1,735,748	\$ 2,033,260	\$ 2,099,433	\$ 2,108,122	\$ 2,276,342	\$ 2,322,438
Contribution in relation to the actuarially determined contribution	1,220,758	1,380,568	1,527,385	1,615,441	1,740,298	2,045,357	2,113,604	2,120,267	2,274,627	2,322,493
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ (28,845)	\$ (10,216)	\$ (21,416)	\$ (4,550)	\$ (12,097)	\$ (14,171)	\$ (12,145)	\$ 1,715	\$ (55)
Covered payroll	\$ 3,115,991	\$ 3,183,775	\$ 3,241,631	\$ 3,346,426	\$ 3,506,100	\$ 3,485,097	\$ 3,616,290	\$ 3,604,051	\$ 3,715,718	\$ 3,941,683
Contributions as a percentage of covered payroll	39.18%	43.36%	47.12%	48.27%	49.64%	58.69%	58.45%	58.83%	61.22%	58.92%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 9.54 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 3.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ 650,191	\$ 707,092	\$ 726,316	\$ 695,329	\$ 729,567	\$ 764,839	\$ 669,361	\$ 703,210	\$ 711,012	\$ 737,498
Interest	3,333,582	3,533,657	3,562,670	3,553,263	3,646,223	3,851,402	3,921,847	4,129,135	4,278,686	4,408,897
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	856,622	(1,609,789)	(547,766)	(111,902)	1,290,861	(222,297)	1,703,369	984,724	885,992	1,527,535
Changes of assumptions	111,824	(220,887)	(1,441,816)	1,335,586	-	(198,217)	-	-	(76,915)	-
Benefit payments, including refunds of member contributions	(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)	(3,029,386)	(3,323,261)	(3,581,452)	(3,934,935)	(4,097,089)
Net change in total pension liability	2,813,998	189,861	(51,317)	3,004,328	2,987,569	1,166,341	2,971,316	2,235,617	1,863,840	2,576,841
Total pension liability - beginning	45,310,614	48,124,612	48,314,473	48,263,156	51,267,484	54,255,053	55,421,394	58,392,710	60,628,327	62,492,167
TOTAL PENSION LIABILITY - ENDING	\$ 48,124,612	\$ 48,314,473	\$ 48,263,156	\$ 51,267,484	\$ 54,255,053	\$ 55,421,394	\$ 58,392,710	\$ 60,628,327	\$ 62,492,167	\$ 65,069,008
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 888,579	\$ 950,875	\$ 977,967	\$ 936,901	\$ 775,040	\$ 893,629	\$ 958,620	\$ 838,711	\$ 694,996	\$ 781,742
Contributions - member	316,164	305,421	324,714	324,812	341,930	361,530	354,735	361,203	370,116	429,596
Net investment income	201,816	2,772,593	7,317,983	(2,568,462)	8,107,687	7,259,720	9,547,565	(8,495,083)	5,944,599	5,824,602
Benefit payments, including refunds of member contributions	(2,138,221)	(2,220,212)	(2,350,721)	(2,467,948)	(2,679,082)	(3,029,386)	(3,323,261)	(3,581,452)	(3,934,935)	(4,097,089)
Administrative expense	331,390	(1,139,027)	(989,389)	636,938	510,225	(91,027)	132,949	525,220	1,373,727	(819,933)
Net change in plan fiduciary net position	(400,272)	669,650	5,280,554	(3,137,759)	7,055,800	5,394,466	7,670,608	(10,351,401)	4,448,503	2,118,918
Plan fiduciary net position - beginning	40,829,994	40,429,722	41,099,372	46,379,926	43,242,167	50,297,967	55,692,433	63,363,041	53,011,640	57,460,143
PLAN FIDUCIARY NET POSITION - ENDING	\$ 40,429,722	\$ 41,099,372	\$ 46,379,926	\$ 43,242,167	\$ 50,297,967	\$ 55,692,433	\$ 63,363,041	\$ 53,011,640	\$ 57,460,143	\$ 59,579,061
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 7,694,890	\$ 7,215,101	\$ 1,883,230	\$ 8,025,317	\$ 3,957,086	\$ (271,039)	\$ (4,970,331)	\$ 7,616,687	\$ 5,032,024	\$ 5,489,947

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.01%	85.07%	96.10%	84.35%	92.71%	100.49%	108.51%	87.44%	91.95%	91.56%
Covered payroll	\$ 6,543,294	\$ 6,787,117	\$ 7,129,096	\$ 7,218,031	\$ 7,598,438	\$ 7,283,037	\$ 7,632,327	\$ 7,837,393	\$ 8,224,801	\$ 8,803,399
Employer's net pension liability as a percentage of covered payroll	117.60%	106.31%	26.42%	111.18%	52.08%	(3.72%)	(65.12%)	97.18%	61.18%	62.36%

There was a change with respect to actuarial assumptions in 2015 to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. There was a change in the discount rate assumption in 2016. There was a change in assumptions related to price inflation, salary increases, retirement age, and mortality rates in 2017. There was a change in the discount rate in 2018. There was a change in price inflation and salary increases in 2020. There was a change in mortality rates in 2023.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS**

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	44,500	44,719	44,892	43,788	43,316	43,244	43,351	43,141	42,864	42,436
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	4,854	5,169	5,481	6,131	6,779	7,326	7,179	7,665	8,268	8,994
Changes of assumptions	-	-	(16,371)	13,607	-	3,163	-	-	(1,160)	-
Benefit payments, including refunds of member contributions	(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)	(52,839)	(54,009)	(55,250)	(56,508)
Net change in total pension liability	3,501	2,871	(14,141)	14,213	(403)	2,058	(2,309)	(3,203)	(5,278)	(5,078)
Total pension liability - beginning	616,265	619,766	622,637	608,496	622,709	622,306	624,364	622,055	618,852	613,574
TOTAL PENSION LIABILITY - ENDING	\$ 619,766	\$ 622,637	\$ 608,496	\$ 622,709	\$ 622,306	\$ 624,364	\$ 622,055	\$ 618,852	\$ 613,574	\$ 608,496
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	3,360	52,097	155,674	(69,668)	166,163	140,478	185,371	(176,574)	106,589	102,604
Benefit payments, including refunds of member contributions	(45,853)	(47,017)	(48,143)	(49,313)	(50,498)	(51,675)	(52,839)	(54,009)	(55,250)	(56,508)
Administrative expense	20,078	95,708	(14,355)	20,080	3,410	11,192	686	3,662	26,129	(12,406)
Net change in plan fiduciary net position	(22,415)	100,788	93,176	(98,901)	119,075	99,995	133,218	(226,921)	77,468	33,690
Plan fiduciary net position - beginning	694,930	672,515	773,303	866,479	767,578	886,653	986,648	1,119,866	892,945	970,413
PLAN FIDUCIARY NET POSITION - ENDING	\$ 672,515	\$ 773,303	\$ 866,479	\$ 767,578	\$ 886,653	\$ 986,648	\$ 1,119,866	\$ 892,945	\$ 970,413	\$ 1,004,103
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (52,749)	\$ (150,666)	\$ (257,983)	\$ (144,869)	\$ (264,347)	\$ (362,284)	\$ (497,811)	\$ (274,093)	\$ (356,839)	\$ (395,607)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability	108.51%	124.20%	142.40%	123.26%	142.48%	158.02%	180.03%	144.29%	158.16%	165.01%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

There was a change with respect to actuarial assumptions in 2015 to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. There was a change in the discount rate assumption in 2016. There was a change in assumptions related to price inflation, salary increases, retirement age, and mortality rates in 2017. There was a change in the discount rate in 2018. There was a change in price inflation and salary increases in 2020. There was a change in mortality rates in 2023.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS**

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	\$ 957,853	\$ 963,023	\$ 1,030,435	\$ 1,057,469	\$ 1,134,336	\$ 1,318,728	\$ 1,184,197	\$ 1,328,067	\$ 1,352,031	\$ 1,349,661
Interest	3,535,205	3,765,976	3,976,549	4,127,425	4,542,986	4,736,247	4,764,422	5,114,849	5,393,288	5,658,094
Changes of benefit terms	-	-	-	497,177	-	-	(54,506)	-	-	-
Differences between expected and actual experience	493,707	836,552	(116,138)	1,465,219	1,078,943	(781,965)	1,445,290	1,208,364	250,627	860,083
Changes of assumptions	697,595	-	-	1,357,340	-	(304,786)	204,999	-	204,952	-
Benefit payments, including refunds of member contributions	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)	(3,477,789)	(3,686,404)	(4,060,880)	(4,080,172)
Administrative expense	-	-	-	-	-	(63,547)	-	-	-	-
Net change in total pension liability	3,449,025	3,025,635	2,316,031	5,608,501	3,595,682	1,229,969	4,066,613	3,964,876	3,140,018	3,787,666
Total pension liability - beginning	51,620,589	55,069,614	58,095,249	60,411,280	66,019,781	69,615,463	70,845,432	74,912,045	78,876,921	82,016,939
TOTAL PENSION LIABILITY - ENDING	\$ 55,069,614	\$ 58,095,249	\$ 60,411,280	\$ 66,019,781	\$ 69,615,463	\$ 70,845,432	\$ 74,912,045	\$ 78,876,921	\$ 82,016,939	\$ 85,804,605
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 2,153,658	\$ 2,300,432	\$ 2,477,582	\$ 2,658,387	\$ 2,897,330	\$ 3,481,268	\$ 3,797,383	\$ 3,677,967	\$ 4,061,646	\$ 4,373,904
Contributions - member	508,475	509,894	547,137	625,248	555,842	529,397	632,651	695,698	649,368	698,667
Contributions - other	11,811	7,378	-	-	568	53,061	110,225	8,314	-	-
Net investment income	2,266,438	3,350,793	(2,484,821)	4,754,224	2,838,277	5,652,178	(4,735,429)	5,521,042	4,487,905	9,245,080
Benefit payments, including refunds of member contributions	(2,235,335)	(2,539,916)	(2,574,815)	(2,896,129)	(3,160,583)	(3,674,708)	(3,477,789)	(3,686,404)	(4,060,880)	(4,080,172)
Administrative expense	(40,102)	(50,125)	(47,871)	(50,722)	(61,964)	(63,547)	(67,390)	(44,530)	(45,877)	(48,999)
Net change in plan fiduciary net position	2,664,945	3,578,456	(2,082,788)	5,091,008	3,069,470	5,977,649	(3,740,349)	6,172,087	5,092,162	10,188,480
Plan fiduciary net position - beginning	27,136,005	29,800,950	33,379,406	31,296,618	36,387,626	39,457,096	45,434,745	41,694,396	47,866,483	52,958,645
PLAN FIDUCIARY NET POSITION - ENDING	\$ 29,800,950	\$ 33,379,406	\$ 31,296,618	\$ 36,387,626	\$ 39,457,096	\$ 45,434,745	\$ 41,694,396	\$ 47,866,483	\$ 52,958,645	\$ 63,147,125
EMPLOYER'S NET PENSION LIABILITY	\$ 25,268,664	\$ 24,715,843	\$ 29,114,662	\$ 29,632,155	\$ 30,158,367	\$ 25,410,687	\$ 33,217,649	\$ 31,010,438	\$ 29,058,294	\$ 22,657,480

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	54.12%	57.46%	51.81%	55.12%	56.68%	64.13%	55.66%	60.69%	64.57%	73.59%
Covered payroll	\$ 5,140,730	\$ 5,341,112	\$ 5,242,425	\$ 5,243,756	\$ 5,733,666	\$ 5,376,171	\$ 6,320,639	\$ 6,547,579	\$ 6,776,744	\$ 7,022,090
Employer's net pension liability as a percentage of covered payroll	491.54%	462.75%	555.37%	565.09%	525.99%	472.65%	525.54%	473.62%	428.79%	322.66%

Changes of Assumptions: Changes in assumptions related to the assumed rate were made in 2016, 2021 and 2024. Changes in assumptions related to certain demographics were made in 2024. In addition, mortality assumptions were updated in 2016, 2019, 2021, and 2024.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS**

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	\$ 789,376	\$ 802,166	\$ 858,318	\$ 825,155	\$ 883,281	\$ 996,009	\$ 891,127	\$ 918,644	\$ 904,806	\$ 953,976
Interest	1,917,310	2,052,799	2,167,052	2,314,830	2,476,269	2,630,397	2,727,263	2,819,112	2,926,223	3,160,493
Changes of benefit terms	-	-	-	285,475	-	-	(97,683)	-	-	-
Differences between expected and actual experience	558,032	106,820	544,169	120,121	62,411	1,134,455	(1,832,967)	(281,797)	2,311	325,240
Changes of assumptions	(160,539)	-	-	884,261	-	(160,093)	161,841	-	1,223,739	-
Benefit payments, including refunds of member contributions	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)	(1,917,775)	(1,880,993)	(1,979,272)	(2,083,500)
Administrative expense	-	-	-	-	-	(73,909)	-	-	-	-
Net change in total pension liability	2,017,068	1,711,630	2,160,501	2,922,030	1,783,475	2,750,419	(68,194)	1,574,966	3,077,807	2,356,209
Total pension liability - beginning	27,933,703	29,950,771	31,662,401	33,822,902	36,744,932	38,528,407	41,278,826	41,210,632	42,785,598	45,863,405
TOTAL PENSION LIABILITY - ENDING	\$ 29,950,771	\$ 31,662,401	\$ 33,822,902	\$ 36,744,932	\$ 38,528,407	\$ 41,278,826	\$ 41,210,632	\$ 42,785,598	\$ 45,863,405	\$ 48,219,614
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 1,220,758	\$ 1,380,568	\$ 1,527,385	\$ 1,615,441	\$ 1,740,298	\$ 2,045,357	\$ 2,113,604	\$ 2,120,267	\$ 2,274,627	\$ 2,322,493
Contributions - member	293,235	297,440	313,564	325,933	321,125	347,350	323,701	341,093	350,404	372,857
Contributions - other	109	-	-	-	3,873	41,076	-	6,129	4,320	6,970
Net investment income	1,308,890	1,970,968	(1,484,133)	2,805,517	1,646,028	3,442,662	(3,979,080)	3,556,447	2,944,319	5,428,173
Benefit payments, including refunds of member contributions	(1,087,111)	(1,250,155)	(1,409,038)	(1,507,812)	(1,638,486)	(1,776,440)	(1,917,775)	(1,880,993)	(1,979,272)	(2,083,500)
Administrative expense	(25,152)	(38,591)	(45,159)	(44,266)	(48,596)	(73,909)	(45,610)	(42,548)	(60,102)	(43,181)
Net change in plan fiduciary net position	1,710,729	2,360,230	(1,097,381)	3,194,813	2,024,242	4,026,096	(3,505,160)	4,100,395	3,534,296	6,003,812
Plan fiduciary net position - beginning	15,487,355	17,198,084	19,558,314	18,460,933	21,655,746	23,679,988	27,706,084	24,200,924	28,301,319	31,835,615
PLAN FIDUCIARY NET POSITION - ENDING	\$ 17,198,084	\$ 19,558,314	\$ 18,460,933	\$ 21,655,746	\$ 23,679,988	\$ 27,706,084	\$ 24,200,924	\$ 28,301,319	\$ 31,835,615	\$ 37,839,427
EMPLOYER'S NET PENSION LIABILITY	\$ 12,752,687	\$ 12,104,087	\$ 15,361,969	\$ 15,089,186	\$ 14,848,419	\$ 13,572,742	\$ 17,009,708	\$ 14,484,279	\$ 14,027,790	\$ 10,380,187

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	57.42%	61.77%	54.58%	58.94%	61.46%	67.12%	58.72%	66.15%	69.41%	78.47%
Covered payroll	\$ 3,115,991	\$ 3,183,775	\$ 3,241,631	\$ 3,346,426	\$ 3,506,100	\$ 3,485,097	\$ 3,616,290	\$ 3,604,051	\$ 3,715,718	\$ 3,941,683
Employer's net pension liability as a percentage of covered payroll	409.27%	380.18%	473.90%	450.90%	423.50%	389.45%	470.36%	401.89%	377.53%	263.34%

Changes of Assumptions: Changes in assumptions related to the assumed rate were made in 2016, 2021 and 2024. Changes in assumptions related to certain demographics were made in 2024. In addition, mortality assumptions were updated in 2016, 2019, 2021 and 2024.

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return, net of investment expense	8.38%	11.27%	(7.35%)	15.14%	8.15%	14.69%	(10.65%)	15.05%	12.07%	15.61%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return, net of investment expense	8.44%	11.39%	(7.42%)	15.28%	7.62%	14.45%	(14.25%)	14.69%	16.41%	15.47%

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

BUDGETS

All departments of the Village submit budget requests to the Village Manager in September of each year so that a budget may be prepared. The budget is prepared by fund, and includes information on the past year, current year estimates and requested budget for the next fiscal year, covering a period from January 1st to December 31st.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may adjust proposed budgeted amounts. The final budget must be approved by December 31 through passage of an ordinance.

Management is authorized to transfer budgeted amounts within any fund without the approval of the governing body. The budget may be amended by the governing body. Expenditures may not legally exceed the budget at the fund level, the Village's legal level of budgetary control.

The budget is adopted on the modified accrual basis of accounting and the current financial resources measurement focus, consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Pension Trust Funds. Budgetary comparisons are reflected in the Village's financial report for all governmental funds.

INDIVIDUAL FUND DISCLOSURES

The following funds had expenditures in excess of budget:

Fund	Excess
General Obligation Bonds Series of 2020	\$ 2,896

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

These financial statements and schedules are not required by GASB, nor a part of the basic financial statements, but are presented for the purpose of additional analysis.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund - This fund is used to account for resources traditionally associated with the Village's operations that are not accounted for in another fund.

SPECIAL REVENUE FUND

Tax Increment Financing #3 Fund - This fund is used to account for the restricted financing of improvements in the Village Center Tax Increment Financing Redevelopment Project Area. Financing is being provided by incremental revenues from real property taxes. The schedule of revenues, expenditures and changes in fund balance for this fund is located in the required supplementary information section of this report.

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
TAXES			
Property tax	\$ 11,946,896	\$ 11,946,896	\$ 11,882,511
Home rule sales tax	7,983,973	7,983,973	9,937,791
Real estate transfer tax	500,000	500,000	564,876
Utility tax - simplified telephone	250,000	250,000	269,535
Utility tax - natural gas	385,000	385,000	419,762
Utility tax - electric	870,000	870,000	897,406
Prepared food tax	1,800,000	1,800,000	1,931,368
Auto rental tax	15,500	15,500	15,792
Cannabis use tax	60,000	60,000	56,541
Hotel/motel tax	55,000	55,000	56,785
Video gaming tax	234,600	234,600	306,277
Push tax	-	-	147
Total taxes	24,100,969	24,100,969	26,338,791
INTERGOVERNMENTAL			
State income tax	6,350,000	6,350,000	6,757,502
State sales tax	8,045,612	8,045,612	11,027,926
State use tax	1,400,000	1,400,000	336,148
Replacement taxes	150,000	150,000	126,053
State grants	50,000	50,000	9,476
Other grants	5,200	5,200	10,577
Reimbursement - DuPage County	20,030	20,030	20,030
Reimbursement - ILEAS	450	450	6,879
Reimbursement - police services	38,713	38,713	104,902
Reimbursement - fire services	20,000	20,000	19,472
Other reimbursements	44,696	44,696	250,026
Total intergovernmental	16,124,701	16,124,701	18,668,991
LICENSES AND PERMITS			
Licenses			
Business	63,000	63,000	62,450
Liquor	83,000	83,000	76,140
Contractor	45,000	45,000	43,110
Vendor/solicitor	700	700	1,613
Tobacco	22,500	22,500	23,900
Penalties on licenses	37,000	37,000	29,192
Multi-family	98,100	98,100	82,075
Single family	72,300	72,300	78,350
Permits			
Building	661,000	661,000	458,740
Sign	1,400	1,400	549
Video gaming terminal	109,500	109,500	102,500
Total licenses and permits	1,193,500	1,193,500	958,619

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
CHARGES FOR SERVICES			
Land use development	\$ 8,000	\$ 8,000	\$ 17,130
Cable franchise fee	250,000	250,000	202,345
Solid waste franchise fee	135,000	135,000	145,444
Plan review - community development	99,000	99,000	96,688
Building re-inspection fees	700	700	400
Vehicle impoundment fees	450,000	450,000	414,137
Printed materials	6,000	6,000	5,745
Ambulance fees	1,000,000	1,000,000	1,019,235
CPR fees	4,500	4,500	4,400
ADT administrative fee	8,400	8,400	8,982
Rental income	371,294	371,294	389,437
Overweight vehicle fine	24,000	24,000	16,590
Foreclosure registration fee	50,000	50,000	37,144
Ground emergency transport fee	500,000	500,000	674,420
Total charges for services	2,906,894	2,906,894	3,032,097
FINES AND FORFEITURES			
Traffic fines - DuPage	230,000	230,000	401,631
Traffic fines - Cook	12,000	12,000	7,474
Ordinance violations	537,000	537,000	706,108
Police false alarm fines	1,000	1,000	2,400
Fire false alarm fines	3,000	3,000	7,975
Red light camera fines	-	-	42,315
Other fines and fees	4,000	4,000	5,917
Total fines and forfeitures	787,000	787,000	1,173,820
INVESTMENT INCOME	500,000	500,000	1,631,784
MISCELLANEOUS			
Corporate partnership program	11,000	11,000	17,500
Central equipment funding - Water and Sewer	14,881	14,881	14,881
Miscellaneous income	46,000	46,000	45,702
Total miscellaneous	71,881	71,881	78,083
TOTAL REVENUES	\$ 45,684,945	\$ 45,684,945	\$ 51,882,185

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
President and board of trustees			
Personal services	\$ 81,350	\$ 81,350	\$ 81,350
Commodities	55,844	55,844	51,600
Contractual services	24,900	24,900	25,335
Total president and board of trustees	162,094	162,094	158,285
Village clerk			
Personal services	112,686	112,686	114,775
Commodities	2,340	2,340	2,881
Contractual services	33,410	33,410	27,585
Total village clerk	148,436	148,436	145,241
Environmental committee			
Commodities	100	100	45
Contractual services	1,000	1,000	497
Total environmental committee	1,100	1,100	542
Special events committee			
Contractual services	45,100	45,100	46,517
Total special events committee	45,100	45,100	46,517
Historical commission			
Commodities	2,500	2,500	2,036
Contractual services	650	650	583
Total historical commission	3,150	3,150	2,619
Cultural inclusion and diversity committee			
Commodities	200	200	-
Contractual services	4,150	4,150	2,515
Total cultural inclusion and diversity committee	4,350	4,350	2,515

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Sister city committee			
Commodities	\$ 770	\$ 770	\$ 660
Contractual services	7,801	7,801	3,533
Total sister city committee	8,571	8,571	4,193
Veterans committee			
Commodities	250	250	-
Contractual services	2,000	2,000	275
Total veterans committee	2,250	2,250	275
Development commission			
Commodities	200	200	75
Contractual services	500	500	170
Total development commission	700	700	245
Economic development committee			
Commodities	1,080	1,080	1,080
Contractual services	4,650	4,650	3,913
Total economic development committee	5,730	5,730	4,993
Village manager			
Personal services	663,234	663,234	664,216
Commodities	38,312	38,312	38,608
Contractual services	105,325	105,325	98,042
Total village manager	806,871	806,871	800,866
Human resources			
Personal services	453,727	453,727	457,198
Commodities	31,438	31,438	25,040
Contractual services	140,330	140,330	106,580
Total human resources	625,495	625,495	588,818

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Information technology			
Personal services	\$ 327,454	\$ 327,454	\$ 322,740
Commodities	59,630	59,630	40,794
Contractual services	1,290,006	1,290,006	1,265,063
Total information technology	1,677,090	1,677,090	1,628,597
Finance department administration			
Personal services	223,711	223,711	222,313
Commodities	2,580	2,580	2,298
Contractual services	6,879	6,879	5,685
Total finance department administration	233,170	233,170	230,296
Collections			
Personal services	199,565	199,565	198,092
Commodities	9,450	9,450	8,147
Contractual services	950	950	432
Total collections	209,965	209,965	206,671
Accounting			
Personal services	191,435	191,435	178,020
Commodities	4,115	4,115	3,141
Contractual services	57,490	57,490	93,369
Total accounting	253,040	253,040	274,530
General administrative services			
Personal services	131,821	131,821	138,187
Contractual services	2,912,187	2,912,187	2,286,231
Total general administrative services	3,044,008	3,044,008	2,424,418
Total general government	7,231,120	7,231,120	6,519,621

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC WORKS			
Administration			
Personal services	\$ 181,491	\$ 181,491	\$ 184,865
Commodities	794	794	1,932
Contractual services	16,012	16,012	14,815
Total administration	198,297	198,297	201,612
Streets			
Personal services	1,206,659	1,206,659	1,092,241
Commodities	189,090	195,440	194,679
Contractual services	588,137	588,137	570,924
Total streets	1,983,886	1,990,236	1,857,844
Forestry			
Personal services	374,661	374,661	309,262
Commodities	32,550	32,550	31,661
Contractual services	499,630	499,630	309,522
Total forestry	906,841	906,841	650,445
Building			
Personal services	398,115	398,115	401,596
Commodities	117,175	117,175	121,373
Contractual services	292,427	292,427	323,458
Total building	807,717	807,717	846,427
Fleet services administration			
Personal services	456,572	456,572	405,791
Commodities	473,644	473,644	441,359
Contractual services	117,483	117,483	122,156
Total fleet services administration	1,047,699	1,047,699	969,306

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Department of engineering			
Personal services	\$ 509,214	\$ 509,214	\$ 487,275
Commodities	5,695	5,695	4,423
Contractual services	270,035	270,035	192,316
Total department of engineering	784,944	784,944	684,014
Total public works	5,729,384	5,735,734	5,209,648
PUBLIC SAFETY			
Fire department			
Administration			
Personal services	681,133	681,133	688,976
Commodities	14,901	16,901	15,281
Contractual services	31,872	29,872	25,496
Total administration	727,906	727,906	729,753
Fire suppression			
Personal services	7,851,669	7,849,169	7,743,153
Commodities	91,427	93,927	86,187
Contractual services	1,334,546	1,334,546	1,324,812
Total fire suppression	9,277,642	9,277,642	9,154,152
Inspections			
Personal services	705,604	705,604	678,233
Commodities	8,324	8,324	7,112
Contractual services	91,660	91,660	48,451
Total inspections	805,588	805,588	733,796
Emergency transport			
Personal services	136,461	136,461	104,774
Commodities	4,385	4,385	2,006
Contractual services	14,465	14,465	14,303
Total emergency transport	155,311	155,311	121,083
Total fire department	10,966,447	10,966,447	10,738,784

(This schedule is continued on the following pages.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department			
Administration			
Personal services	\$ 1,196,963	\$ 1,193,963	\$ 1,211,820
Commodities	12,175	13,375	12,580
Contractual services	32,955	27,955	22,983
Total administration	1,242,093	1,235,293	1,247,383
Patrol division			
Personal services	10,419,828	10,419,828	10,309,198
Commodities	97,846	108,846	105,280
Contractual services	388,672	388,672	393,891
Total patrol division	10,906,346	10,917,346	10,808,369
Investigations			
Personal services	2,648,443	2,648,443	2,606,610
Commodities	56,641	58,441	57,055
Contractual services	49,896	56,896	52,927
Total investigations	2,754,980	2,763,780	2,716,592
Community services			
Personal services	123,769	123,769	121,984
Commodities	136	136	136
Contractual services	3,836	3,836	309
Total community services	127,741	127,741	122,429
Staff services			
Personal services	1,622,207	1,622,207	1,596,284
Commodities	30,284	36,484	33,408
Contractual services	1,137,638	1,114,938	1,070,271
Total staff services	2,790,129	2,773,629	2,699,963

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Code enforcement			
Personal services	\$ 737,689	\$ 737,689	\$ 695,491
Commodities	3,791	6,791	6,020
Contractual services	14,569	15,069	13,359
Total code enforcement	756,049	759,549	714,870
Total police department	18,577,338	18,577,338	18,309,606
Total public safety	29,543,785	29,543,785	29,048,390
COMMUNITY DEVELOPMENT			
Economic development			
Personal services	662,869	662,869	627,683
Commodities	12,440	12,440	11,044
Contractual services	2,185,473	3,435,447	3,619,904
Total economic development	2,860,782	4,110,756	4,258,631
Total community development	2,860,782	4,110,756	4,258,631
TOTAL EXPENDITURES	\$ 45,365,071	\$ 46,621,395	\$ 45,036,290

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Road and Bridge Fund - This fund is used to account for the revenues restricted for the operation and maintenance of the Village's roads and bridges. Financing provided by the Village's annual property tax levy and contributions from other government agencies.

Motor Fuel Tax Fund - This fund is used to account for the revenues restricted for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of the state gasoline taxes. The schedule of revenues, expenditures and changes in fund balance for this fund is located in the required supplementary information section of this report.

MWRD Fields Fund - This fund is used to account for the revenues restricted for the maintenance and improvement of the MWRD fields. Financing provided by video gaming tax and permit revenues.

State Restricted Fund - This fund is used to account for revenues restricted by state statute for general law enforcement purposes. Financing provided by various state asset seizure funds.

Federal Restricted Fund - This fund is used to account for revenues restricted by federal statute for general law enforcement purposes. Financing provided by DEA seized funds.

Foreign Fire Insurance Tax Fund - This fund is used to account for revenues restricted for fire department purposes. Financing provided by foreign fire insurance tax proceeds.

Tax Increment Financing #4 Fund - This fund is used to account for the restricted financing of improvements in the redevelopment district located at Barrington and Irving Park Roads. Revenues include incremental property taxes from the TIF district.

Tax Increment Financing #5 Fund - This fund is used to account for the restricted financing of improvements in the redevelopment district located at Irving Park Road East. Financing is provided by incremental revenues from real property taxes.

Special Service Area #3 Fund - This fund is used to account for the restricted financing of public improvements and scavenger and snow removal services for multi-family housing units located on Astor Avenue. Funding is provided by taxes to be levied upon the taxable property in that area of the Village designated as the "Village of Hanover Park Special Service Area Number Three."

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Special Service Area #4 Fund - This fund is used to account for the restricted financing of public improvements and scavenger service and snow removal services for multi-family housing units located on Mark Thomas and Leslie Lanes. Funding is provided by taxes to be levied upon property in that area of the Village designated as the "Village of Hanover Park Special Service Area Number Four."

Special Service Area #5 Fund - This fund is used to account for the restricted financing of public improvements and scavenger services for multi-family housing units located in the Tanglewood development. Funding is provided by taxes to be levied upon taxable property in that area of the Village designated as the "Village of Hanover Park Special Service Area Number Five."

National Opioid Settlement Fund - this fund is used to account for the education, wellness, and support services for first responders with opioid related emergency events and dealing with fentanyl or other drugs. The Illinois Attorney General, along with other states and local governments, pursued legal action against opioid manufacturers, distributors, and dispensers for deceptive practices. These efforts led to national settlements, from which Illinois expects to receive over \$1.3 billion by 2038 to help combat the opioid crisis statewide.

DEBT SERVICE FUNDS

General Obligation Bond Series of 2020 Fund - This fund is used to accumulate monies restricted for the payment of the \$12,980,000 General Obligation Refunding Bond Series of 2020. Financing is provided by an annual property tax levy. The debt payments have been structured so that they are lower in the earlier years.

CAPITAL PROJECTS FUNDS

Capital Projects Fund - This fund is used to account for the purchase of land, machinery, office equipment and furniture and for various capital improvements. Resources are assigned and provided from transfers from other funds.

Special Service Area #6 Fund - This fund accounts for the restricted financing of public improvements and eventually scavenger services, for the Hanover Square multi-family housing units. Initial funding was provided by an advance from the General Fund. Resources include special service area property taxes.

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2025

	Special Revenue					
	Road and Bridge	Motor Fuel Tax	MWRD Fields	State Restricted	Federal Restricted	Foreign Fire Insurance Tax
ASSETS						
Cash and investments	\$ 5,632,990	\$ 1,944,046	\$ 237,246	\$ 303,608	\$ 4,044	\$ 244,443
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	3,502	-	-	-	-	-
Accounts	54,840	-	-	3,503	-	-
Accrued interest	32,719	34,728	-	-	-	-
Prepaid items	-	-	-	5,564	-	-
Due from other governments	-	151,696	-	-	-	-
TOTAL ASSETS	\$ 5,724,051	\$ 2,130,470	\$ 237,246	\$ 312,675	\$ 4,044	\$ 244,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 640,652	\$ 25,937	\$ 3,978	\$ 4,551	\$ -	\$ -
Other payables	76	-	-	103,409	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	640,728	25,937	3,978	107,960	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	640,728	25,937	3,978	107,960	-	-
FUND BALANCES						
Nonspendable						
Prepaid items	-	-	-	5,564	-	-
Restricted						
Public safety	-	-	-	199,151	4,044	244,443
Highways and streets	5,083,323	2,104,533	233,268	-	-	-
Debt service	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Special service areas	-	-	-	-	-	-
Assigned						
Capital improvements	-	-	-	-	-	-
Total fund balances	5,083,323	2,104,533	233,268	204,715	4,044	244,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,724,051	\$ 2,130,470	\$ 237,246	\$ 312,675	\$ 4,044	\$ 244,443

		Special Revenue			Debt Service		Capital Projects		Total	
Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	National Opioid Settlement	General Obligation Bond Series of 2020	Capital Projects	Special Service Area #6	Nonmajor Governmental Funds	
\$ 2,639,701	\$ 1,033,401	\$ 27,904	\$ 25,760	\$ 631,933	\$ 77,905	\$ 445,691	\$ 3,070,421	\$ 92,616	\$ 16,411,709	
412,404	376,438	30,114	56,424	433,631	-	1,668,545	70,675	-	3,051,733	
87,508	-	-	-	-	-	-	37,182	-	183,033	
31,521	3,629	180	-	-	-	11,485	-	128	114,390	
-	-	-	-	-	2,760	-	-	-	8,324	
-	-	-	-	-	-	-	-	-	151,696	
\$ 3,171,134	\$ 1,413,468	\$ 58,198	\$ 82,184	\$ 1,065,564	\$ 80,665	\$ 2,125,721	\$ 3,178,278	\$ 92,744	\$ 19,920,885	
\$ 41,896	\$ 32,903	\$ 1,168	\$ 1,800	\$ 47,705	\$ 6,271	\$ -	\$ 106,202	\$ -	\$ 913,063	
52,572	40,000	-	-	-	-	-	-	-	196,057	
-	-	2,100	-	-	-	-	-	-	2,100	
94,468	72,903	3,268	1,800	47,705	6,271	-	106,202	-	1,111,220	
-	-	23,018	37,634	433,631	-	1,441,400	-	-	1,935,683	
-	-	23,018	37,634	433,631	-	1,441,400	-	-	1,935,683	
94,468	72,903	26,286	39,434	481,336	6,271	1,441,400	106,202	-	3,046,903	
-	-	-	-	-	2,760	-	-	-	8,324	
-	-	-	-	-	71,634	-	-	-	519,272	
-	-	-	-	-	-	-	-	-	7,421,124	
-	-	-	-	-	-	684,321	-	-	684,321	
3,076,666	1,340,565	-	-	-	-	-	-	-	4,417,231	
-	-	31,912	42,750	584,228	-	-	-	92,744	751,634	
-	-	-	-	-	-	-	3,072,076	-	3,072,076	
3,076,666	1,340,565	31,912	42,750	584,228	74,394	684,321	3,072,076	92,744	16,873,982	
\$ 3,171,134	\$ 1,413,468	\$ 58,198	\$ 82,184	\$ 1,065,564	\$ 80,665	\$ 2,125,721	\$ 3,178,278	\$ 92,744	\$ 19,920,885	

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the Year Ended December 31, 2025

	Special Revenue					
	Road and Bridge	<i>(Formerly Major)</i> Motor Fuel Tax	MWRD Fields	State Restricted	Federal Restricted	Foreign Fire Insurance Tax
REVENUES						
Taxes	\$ 636,436	\$ -	\$ -	\$ -	\$ -	\$ 58,279
Intergovernmental	503,023	1,710,624	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines, fees and forfeits	-	-	-	61,727	-	-
Investment income	197,923	86,809	9,200	9,364	124	7,920
Miscellaneous	1,134	-	-	-	-	-
Total revenues	1,338,516	1,797,433	9,200	71,091	124	66,199
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	83,591	-	37,019
Community development	-	-	-	-	-	-
Highways and streets	1,495,915	5,315	25,353	-	-	-
Capital outlay	1,372,089	1,059,209	95,461	21,924	-	56,286
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	2,868,004	1,064,524	120,814	105,515	-	93,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,529,488)	732,909	(111,614)	(34,424)	124	(27,106)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,529,488)	732,909	(111,614)	(34,424)	124	(27,106)
FUND BALANCES, JANUARY 1, AS REPORTED	6,612,811	-	344,882	239,139	3,920	271,549
Change in financial reporting entity	-	1,371,624	-	-	-	-
FUND BALANCES, JANUARY 1, AS RESTATED	6,612,811	1,371,624	344,882	239,139	3,920	271,549
FUND BALANCES, DECEMBER 31	\$ 5,083,323	\$ 2,104,533	\$ 233,268	\$ 204,715	\$ 4,044	\$ 244,443

		Special Revenue				Debt Service	Capital Projects		Total
Tax Increment Financing #4	Tax Increment Financing #5	Special Service Area #3	Special Service Area #4	Special Service Area #5	National Opioid Settlement	General Obligation Bond Series of 2020	(Formerly Major) Capital Projects	Special Service Area #6	Nonmajor Governmental Funds
\$ 710,878	\$ 533,329	\$ 19,406	\$ 38,738	\$ 411,116	\$ -	\$ 1,426,038	\$ -	\$ -	\$ 3,834,220
-	-	-	-	-	24,617	-	42,679	-	2,280,943
-	-	2,140	-	-	-	-	-	-	2,140
-	-	-	-	-	-	-	-	-	61,727
91,665	34,356	1,053	1,092	16,201	2,125	50,545	93,419	2,875	604,671
200	-	-	-	-	-	-	38,012	-	39,346
802,743	567,685	22,599	39,830	427,317	26,742	1,476,583	174,110	2,875	6,823,047
-	-	-	-	-	-	-	2,155	9	2,164
-	-	-	-	-	24,204	-	-	-	144,814
116,478	35,688	21,175	29,662	162,688	-	-	-	-	365,691
-	-	-	-	-	-	-	-	-	1,526,583
22,900	12,956	-	-	41,785	-	-	523,956	-	3,206,566
-	-	-	-	-	-	1,135,000	-	-	1,135,000
-	-	-	-	-	-	305,696	-	-	305,696
139,378	48,644	21,175	29,662	204,473	24,204	1,440,696	526,111	9	6,686,514
663,365	519,041	1,424	10,168	222,844	2,538	35,887	(352,001)	2,866	136,533
-	-	-	-	-	-	-	1,346,500	-	1,346,500
-	-	-	-	-	-	-	7,600	-	7,600
-	-	-	-	-	-	-	1,354,100	-	1,354,100
663,365	519,041	1,424	10,168	222,844	2,538	35,887	1,002,099	2,866	1,490,633
2,413,301	821,524	30,488	32,582	361,384	71,856	648,434	-	89,878	11,941,748
-	-	-	-	-	-	-	2,069,977	-	3,441,601
2,413,301	821,524	30,488	32,582	361,384	71,856	648,434	2,069,977	89,878	15,383,349
\$ 3,076,666	\$ 1,340,565	\$ 31,912	\$ 42,750	\$ 584,228	\$ 74,394	\$ 684,321	\$ 3,072,076	\$ 92,744	\$ 16,873,982

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

ROAD AND BRIDGE FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 95,000	\$ 95,000	\$ 68,871
Gasoline taxes	504,000	504,000	567,565
Intergovernmental			
Personal property replacement taxes	6,000	6,000	3,023
Grants	893,750	1,193,750	500,000
Investment income	5,000	5,000	197,923
Miscellaneous	-	-	1,134
Total revenues	1,503,750	1,803,750	1,338,516
EXPENDITURES			
Current			
Highways and streets			
Commodities	165,000	165,000	104,796
Contractual services	1,831,600	2,074,102	1,391,119
Capital outlay	3,988,000	4,288,000	1,372,089
Total expenditures	5,984,600	6,527,102	2,868,004
NET CHANGE IN FUND BALANCE	<u><u>\$ (4,480,850)</u></u>	<u><u>\$ (4,723,352)</u></u>	(1,529,488)
FUND BALANCE, JANUARY 1			<u>6,612,811</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 5,083,323</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,600,000	\$ 1,600,000	\$ 1,710,624
Investment income	50,000	50,000	86,809
Total revenues	1,650,000	1,650,000	1,797,433
EXPENDITURES			
Current			
Highways and streets			
Contractual services	-	-	5,315
Capital outlay	1,600,000	1,600,000	1,059,209
Total expenditures	1,600,000	1,600,000	1,064,524
NET CHANGE IN FUND BALANCE	\$ 50,000	\$ 50,000	732,909
FUND BALANCE, JANUARY 1			1,371,624
FUND BALANCE, DECEMBER 31			\$ 2,104,533

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MWRD FIELDS FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 1,000	\$ 1,000	\$ 9,200
Total revenues	1,000	1,000	9,200
EXPENDITURES			
Current			
Highways and streets			
Contractual services	48,150	48,150	25,353
Capital outlay	107,000	107,000	95,461
Total expenditures	155,150	155,150	120,814
NET CHANGE IN FUND BALANCE	<u>\$ (154,150)</u>	<u>\$ (154,150)</u>	(111,614)
FUND BALANCE, JANUARY 1			<u>344,882</u>
FUND BALANCE, DECEMBER 31			<u>\$ 233,268</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

STATE RESTRICTED FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Fines, fees, and forfeits			
DUI fines	\$ 15,000	\$ 15,000	\$ 19,521
Traffic court supervision	-	-	52
Drug forfeiture	15,000	15,000	41,279
Fees	1,015	1,015	875
Investment income	2,500	2,500	9,364
Total revenues	33,515	33,515	71,091
EXPENDITURES			
Current			
Public safety			
Contractual services	83,782	83,782	83,591
Capital outlay	27,000	27,000	21,924
Total expenditures	110,782	110,782	105,515
NET CHANGE IN FUND BALANCE	<u>\$ (77,267)</u>	<u>\$ (77,267)</u>	(34,424)
FUND BALANCE, JANUARY 1			<u>239,139</u>
FUND BALANCE, DECEMBER 31			<u>\$ 204,715</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FEDERAL RESTRICTED FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 1,000	\$ 1,000	\$ -
Investment income	100	100	124
Total revenues	1,100	1,100	124
EXPENDITURES			
Current			
Public safety			
Contractual services	500	500	-
Total expenditures	500	500	-
NET CHANGE IN FUND BALANCE	<u>\$ 600</u>	<u>\$ 600</u>	124
FUND BALANCE, JANUARY 1			<u>3,920</u>
FUND BALANCE, DECEMBER 31			<u>\$ 4,044</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FOREIGN FIRE INSURANCE TAX FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire insurance tax	\$ 40,000	\$ 40,000	\$ 58,279
Investment income	2,500	2,500	7,920
Total revenues	42,500	42,500	66,199
EXPENDITURES			
Current			
Public safety			
Commodities	40,000	40,000	37,019
Capital outlay	-	60,000	56,286
Total expenditures	40,000	100,000	93,305
NET CHANGE IN FUND BALANCE	<u>\$ 2,500</u>	<u>\$ (57,500)</u>	(27,106)
FUND BALANCE, JANUARY 1			<u>271,549</u>
FUND BALANCE, DECEMBER 31			<u>\$ 244,443</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #4 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 400,000	\$ 400,000	\$ 710,878
Investment income	9,000	9,000	91,665
Miscellaneous	100	100	200
Total revenues	409,100	409,100	802,743
EXPENDITURES			
Current			
Community development			
Contractual services	131,000	231,000	116,478
Capital outlay	100,000	100,000	22,900
Total expenditures	231,000	331,000	139,378
NET CHANGE IN FUND BALANCE	<u>\$ 178,100</u>	<u>\$ 78,100</u>	663,365
FUND BALANCE, JANUARY 1			<u>2,413,301</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 3,076,666</u></u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

TAX INCREMENT FINANCING #5 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 115,000	\$ 115,000	\$ 533,329
Investment income	7,000	7,000	34,356
Miscellaneous	100	100	-
Total revenues	122,100	122,100	567,685
EXPENDITURES			
Current			
Community development			
Contractual services	20,000	20,000	35,688
Capital outlay	300,000	300,000	12,956
Total expenditures	320,000	320,000	48,644
NET CHANGE IN FUND BALANCE	\$ (197,900)	\$ (197,900)	519,041
FUND BALANCE, JANUARY 1			821,524
FUND BALANCE, DECEMBER 31			\$ 1,340,565

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #3 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 21,922	\$ 21,922	\$ 19,406
Licenses and permits			
Parking lot permit fees	2,100	2,100	2,140
Investment income	150	150	1,053
Total revenues	24,172	24,172	22,599
EXPENDITURES			
Current			
Community development			
Contractual services	23,871	23,871	21,175
Total expenditures	23,871	23,871	21,175
NET CHANGE IN FUND BALANCE	\$ 301	\$ 301	1,424
FUND BALANCE, JANUARY 1			30,488
FUND BALANCE, DECEMBER 31			\$ 31,912

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #4 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 37,634	\$ 37,634	\$ 38,738
Investment income	200	200	1,092
Total revenues	37,834	37,834	39,830
EXPENDITURES			
Current			
Community development			
Contractual services	37,634	37,634	29,662
Total expenditures	37,634	37,634	29,662
NET CHANGE IN FUND BALANCE	<u>\$ 200</u>	<u>\$ 200</u>	10,168
FUND BALANCE, JANUARY 1			<u>32,582</u>
FUND BALANCE, DECEMBER 31			<u>\$ 42,750</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #5 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 412,982	\$ 412,982	\$ 411,116
Investment income	1,000	1,000	16,201
Total revenues	413,982	413,982	427,317
EXPENDITURES			
Current			
Community development			
Contractual services	157,648	157,648	162,688
Capital outlay	423,352	423,352	41,785
Total expenditures	581,000	581,000	204,473
NET CHANGE IN FUND BALANCE	<u>\$ (167,018)</u>	<u>\$ (167,018)</u>	222,844
FUND BALANCE, JANUARY 1			<u>361,384</u>
FUND BALANCE, DECEMBER 31			<u>\$ 584,228</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

NATIONAL OPIOID SETTLEMENT FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 23,730	\$ 23,730	\$ 24,617
Investment income	100	100	2,125
Total revenues	23,830	23,830	26,742
EXPENDITURES			
Current			
Public safety			
Commodities	1,830	2,850	2,790
Contractual services	22,000	34,320	21,414
Total expenditures	23,830	37,170	24,204
NET CHANGE IN FUND BALANCE	\$ -	\$ (13,340)	2,538
FUND BALANCE, JANUARY 1			71,856
FUND BALANCE, DECEMBER 31			\$ 74,394

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

GENERAL OBLIGATION BOND SERIES OF 2020 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,436,800	\$ 1,436,800	\$ 1,426,038
Investment income	5,000	5,000	50,545
Total revenues	<u>1,441,800</u>	<u>1,441,800</u>	<u>1,476,583</u>
EXPENDITURES			
Debt service			
Principal	1,135,000	1,135,000	1,135,000
Interest and fiscal charges	302,800	302,800	305,696
Total expenditures	<u>1,437,800</u>	<u>1,437,800</u>	<u>1,440,696</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	<u>\$ 4,000</u>	35,887
FUND BALANCE, JANUARY 1			<u>648,434</u>
FUND BALANCE, DECEMBER 31			<u>\$ 684,321</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL PROJECTS FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Reimbursements	\$ 46,500	\$ 46,500	\$ 42,679
Investment income	5,000	5,000	93,419
Miscellaneous	38,012	38,012	38,012
Total revenues	89,512	89,512	174,110
EXPENDITURES			
Current			
General government			
Contractual services	-	-	2,155
Capital outlay			
Buildings	160,700	160,700	52,782
Other improvements	100,000	646,027	126,650
Equipment	324,108	456,297	344,524
Total expenditures	584,808	1,263,024	526,111
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(495,296)	(1,173,512)	(352,001)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,346,500	1,346,500	1,346,500
Sale of capital assets	-	-	7,600
Total other financing sources (uses)	1,346,500	1,346,500	1,354,100
NET CHANGE IN FUND BALANCE	\$ 851,204	\$ 172,988	1,002,099
FUND BALANCE, JANUARY 1			2,069,977
FUND BALANCE, DECEMBER 31			\$ 3,072,076

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

SPECIAL SERVICE AREA #6 FUND

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 2,875
Total revenues	-	-	2,875
EXPENDITURES			
Current			
General government			
Contractual services	5,000	5,000	9
Total expenditures	5,000	5,000	9
NET CHANGE IN FUND BALANCE	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	2,866
FUND BALANCE, JANUARY 1			<u>89,878</u>
FUND BALANCE, DECEMBER 31			<u>\$ 92,744</u>

(See independent auditor's report.)

PROPRIETARY FUNDS

ENTERPRISE FUNDS

MAJOR ENTERPRISE FUND

Waterworks and Sewerage Fund - The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

NONMAJOR ENTERPRISE FUND

Municipal Railroad Parking Lot Fund - The Municipal Railroad Parking Lot Fund is used to account for the provision of parking services to the residents of the Village and surrounding communities. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and collections.

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water sales	\$ 7,439,124	\$ 7,439,124	\$ 7,622,621
Sewer service	2,840,808	2,840,808	2,993,789
Water penalties	312,000	312,000	305,998
Water tap-on fees	65,940	65,940	32,995
Meter sales	13,313	13,313	16,362
Miscellaneous	165,024	165,024	107,510
Total operating revenues	10,836,209	10,836,209	11,079,275
OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION			
Administration	2,660,512	2,660,512	2,676,257
Operations			
Water treatment	5,972,203	6,016,856	5,615,650
Water maintenance	6,724,981	6,974,705	5,418,619
Water meter operations	188,767	188,767	126,976
Sewage treatment	2,787,875	2,787,875	1,895,725
Sewer maintenance	2,179,110	2,529,110	1,698,842
Total operating expenses excluding depreciation and amortization	20,513,448	21,157,825	17,432,069
OPERATING LOSS	(9,677,239)	(10,321,616)	(6,352,794)

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 125,000	\$ 125,000	\$ 334,114
Infrastructure surcharge	3,202,483	3,202,483	3,201,515
Issuance of IEPA loans payable	5,800,000	5,800,000	4,759,172
Principal expense	(213,726)	(213,726)	(203,083)
Interest and fiscal charges	(91,348)	(91,348)	(80,725)
Total non-operating revenues (expenses)	8,822,409	8,822,409	8,010,993
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS	(854,830)	(1,499,207)	1,658,199
CAPITAL GRANTS	500,000	500,000	143,096
NET INCOME (LOSS) - BUDGETARY BASIS	<u>\$ (354,830)</u>	<u>\$ (999,207)</u>	1,801,295
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			4,771,701
Depreciation			(1,175,309)
Refunding loss amortization			(7,254)
Issuance of IEPA loans payable			(4,759,172)
Principal expense			203,083
Total adjustments to GAAP basis			(966,951)
CHANGE IN NET POSITION - GAAP BASIS			834,344
NET POSITION, JANUARY 1			36,765,737
NET POSITION, DECEMBER 31			<u>\$ 37,600,081</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

**SCHEDULE OF OPERATING EXPENSES -
BUDGET AND ACTUAL**

For the Year December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Administration			
Personal services	\$ 1,686,471	\$ 1,686,471	\$ 2,050,960
Commodities	5,225	5,225	5,818
Contractual services	968,816	968,816	619,479
Total administration	2,660,512	2,660,512	2,676,257
Operations			
Water treatment			
Personal services	437,642	437,642	457,001
Commodities	16,509	16,509	14,821
Contractual services	5,118,052	5,132,052	5,104,719
Capital outlay	400,000	430,653	39,109
Total water treatment	5,972,203	6,016,856	5,615,650
Water maintenance			
Personal services	366,361	366,361	404,563
Commodities	130,915	130,915	131,111
Contractual services	917,705	1,048,773	733,310
Capital outlay	5,310,000	5,428,656	4,149,635
Total water maintenance	6,724,981	6,974,705	5,418,619
Water meter operations			
Personal services	91,603	91,603	57,655
Commodities	39,805	39,805	13,720
Contractual services	57,359	57,359	55,601
Total water meter operations	188,767	188,767	126,976
Sewage treatment			
Personal services	849,264	849,264	890,203
Commodities	88,032	88,032	85,728
Contractual services	815,579	815,579	717,785
Capital outlay	1,035,000	1,035,000	202,009
Total sewage treatment	2,787,875	2,787,875	1,895,725

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF OPERATING EXPENSES -
BUDGET AND ACTUAL (Continued)

For the Year December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING EXPENSES (Continued)			
Administration (Continued)			
Sewer maintenance			
Personal services	\$ 366,361	\$ 366,361	\$ 386,058
Commodities	30,100	30,100	29,484
Contractual services	882,649	882,649	974,670
Capital outlay	900,000	1,250,000	308,630
Total sewer maintenance	2,179,110	2,529,110	1,698,842
Total operations	17,852,936	18,497,313	14,755,812
TOTAL OPERATING EXPENSES - BUDGETARY BASIS	\$ 20,513,448	\$ 21,157,825	17,432,069
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			(4,771,701)
Depreciation			1,175,309
ARO amortization			7,254
Total adjustments to GAAP basis			(3,589,138)
TOTAL OPERATING EXPENSES - GAAP BASIS			\$ 13,842,931

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

MUNICIPAL RAILROAD PARKING LOT FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 140,675	\$ 140,675	\$ 148,008
Total operating revenues	140,675	140,675	148,008
OPERATING EXPENSES			
Operations			
Personal services	221,610	221,610	254,441
Commodities	4,400	4,400	3,487
Contractual services	97,950	97,950	58,757
Capital outlay	50,000	50,000	47,906
Total operating expenses	373,960	373,960	364,591
OPERATING LOSS	(233,285)	(233,285)	(216,583)
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	3,000	3,000	(72)
Total non-operating revenues (expenses)	3,000	3,000	(72)
CHANGE IN NET POSITION - BUDGET BASIS	(230,285)	(230,285)	(216,655)
ADJUSTMENT TO GAAP BASIS			
Depreciation			(77,887)
Total adjustments to GAAP basis			(77,887)
CHANGE IN NET POSITION - GAAP BASIS			(294,542)
NET POSITION, JANUARY 1			1,398,483
NET POSITION, DECEMBER 31			\$ 1,103,941

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Central Equipment Fund - This fund is used to account for the purchase of vehicles and equipment for various departments throughout the Village. Financing is provided by charges to the various village funds. This fund is reported as a governmental activity.

IT Equipment Replacement Fund - This fund is used to account for the purchase of computer equipment for departments throughout the Village. Financing is provided by charges to the various village funds. This fund is reported as a governmental activity.

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2025

	Central Equipment	IT Equipment Replacement	Total
CURRENT ASSETS			
Cash and investments	\$ 11,468,990	\$ 1,625,239	\$ 13,094,229
Receivables			
Accrued interest	165,566	21,617	187,183
Total current assets	11,634,556	1,646,856	13,281,412
CAPITAL ASSETS			
Nondepreciable	72,395	-	72,395
Depreciable, net of accumulated depreciation	4,337,265	787,440	5,124,705
Net capital assets	4,409,660	787,440	5,197,100
Total assets	16,044,216	2,434,296	18,478,512
CURRENT LIABILITIES			
Accounts payable	14,685	52,618	67,303
Subscriptions payable, current	-	74,330	74,330
Total current liabilities	14,685	126,948	141,633
LONG-TERM LIABILITIES			
Subscriptions payable	-	343,847	343,847
Total long-term liabilities	-	343,847	343,847
Total liabilities	14,685	470,795	485,480
NET POSITION			
Invested in capital assets	4,409,660	369,263	4,778,923
Unrestricted	11,619,871	1,594,238	13,214,109
TOTAL NET POSITION	\$ 16,029,531	\$ 1,963,501	\$ 17,993,032

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

For the Year Ended December 31, 2025

	Central Equipment	IT Equipment Replacement	Total
OPERATING REVENUES			
Charges for services	\$ 2,333,075	\$ 497,057	\$ 2,830,132
Total operating revenues	2,333,075	497,057	2,830,132
OPERATING EXPENSES			
Operations	956	217,542	218,498
Depreciation	1,180,857	114,108	1,294,965
Total operating expenses	1,181,813	331,650	1,513,463
OPERATING INCOME	1,151,262	165,407	1,316,669
NON-OPERATING REVENUES (EXPENSES)			
Investment income	393,403	47,934	441,337
Interest and fiscal charges	-	(12,523)	(12,523)
Gain on disposal of capital assets	50	-	50
Total non-operating revenues (expenses)	393,453	35,411	428,864
NET INCOME BEFORE TRANSFERS	1,544,715	200,818	1,745,533
TRANSFERS			
Transfers in	33,386	-	33,386
Total transfers	33,386	-	33,386
CHANGE IN NET POSITION	1,578,101	200,818	1,778,919
NET POSITION, JANUARY 1	14,451,430	1,762,683	16,214,113
NET POSITION, DECEMBER 31	\$ 16,029,531	\$ 1,963,501	\$ 17,993,032

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	Central Equipment	IT Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 2,374,102	\$ 497,057	\$ 2,871,159
Payments to suppliers	(268,193)	(178,408)	(446,601)
Net cash from operating activities	2,105,909	318,649	2,424,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	33,386	-	33,386
Net cash from noncapital financing activities	33,386	-	33,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(1,157,155)	(146,828)	(1,303,983)
Receipts from sale of capital assets	28,223	-	28,223
Principal paid - subscriptions payable	-	(70,055)	(70,055)
Interest paid	-	(12,523)	(12,523)
Net cash from capital and related financing activities	(1,128,932)	(229,406)	(1,358,338)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	391,957	54,942	446,899
Net cash from investing activities	391,957	54,942	446,899
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,402,320	144,185	1,546,505
CASH AND CASH EQUIVALENTS, JANUARY 1	10,066,670	1,481,054	11,547,724
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 11,468,990	\$ 1,625,239	\$ 13,094,229

(This schedule is continued on the following page.)

VILLAGE OF HANOVER PARK, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2025

	Central Equipment	IT Equipment Replacement	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 1,151,262	\$ 165,407	\$ 1,316,669
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	1,180,857	114,108	1,294,965
Increase (decrease) in			
Accounts receivable	41,027	-	41,027
Accounts payable	(267,237)	39,134	(228,103)
NET CASH FROM OPERATING ACTIVITIES	\$ 2,105,909	\$ 318,649	\$ 2,424,558

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

CENTRAL EQUIPMENT FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 2,333,075	\$ 2,333,075	\$ 2,333,075
Total operating revenues	2,333,075	2,333,075	2,333,075
OPERATING EXPENSES			
Capital outlay	1,573,900	3,644,701	1,158,111
Depreciation	1,220,000	1,220,000	1,180,857
Total operating expenses	2,793,900	4,864,701	2,338,968
OPERATING LOSS	(460,825)	(2,531,626)	(5,893)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	100,000	100,000	393,403
Gain on disposal of capital assets	-	-	50
Total non-operating revenues (expenses)	100,000	100,000	393,453
NET INCOME (LOSS) BEFORE TRANSFERS	(360,825)	(2,431,626)	387,560
TRANSFERS IN	-	33,386	33,386
CHANGE IN NET POSITION - BUDGET BASIS	\$ (360,825)	\$ (2,398,240)	420,946
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			1,157,155
Total adjustments to GAAP basis			1,157,155
CHANGE IN NET POSITION - GAAP BASIS			1,578,101
NET POSITION, JANUARY 1			14,451,430
NET POSITION, DECEMBER 31			\$ 16,029,531

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

IT EQUIPMENT REPLACEMENT FUND

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Interfund services	\$ 497,057	\$ 497,057	\$ 497,057
Total operating revenues	497,057	497,057	497,057
OPERATING EXPENSES			
Contractual services	-	-	227
Capital outlay	475,860	475,860	364,143
Total operating expenses	475,860	475,860	364,370
OPERATING INCOME	21,197	21,197	132,687
NON-OPERATING REVENUES (EXPENSES)			
Investment income	13,000	13,000	47,934
Interest and fiscal charges	-	-	(12,523)
Total non-operating revenues (expenses)	13,000	13,000	35,411
CHANGE IN NET POSITION - BUDGET BASIS	\$ 34,197	\$ 34,197	168,098
ADJUSTMENT TO GAAP BASIS			
Assets capitalized			146,828
Depreciation			(114,108)
Total adjustments to GAAP basis			32,720
CHANGE IN NET POSITION - GAAP BASIS			200,818
NET POSITION, JANUARY 1			1,762,683
NET POSITION, DECEMBER 31			\$ 1,963,501

(See independent auditor's report.)

FIDUCIARY FUNDS

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund - The Police Pension Fund, a fiduciary component unit, is used to account for the accumulation of resources to be used for police pension benefit payments. Resources are provided by investment earnings, employee contributions at a rate fixed by law and by the Village at amounts determined by an actuary.

Firefighters' Pension Fund - The Firefighters' Pension Fund, a fiduciary component unit, is used to account for the accumulation of resources to be used for firefighters' pension benefit payments. Resources are provided by investment earnings, employee contributions at a rate fixed by law and by the Village at amounts determined by an actuary.

VILLAGE OF HANOVER PARK, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2025

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 316,223	\$ 442,947	\$ 759,170
Investments			
Illinois Police Officers' Pension Investment Fund	61,869,053	-	61,869,053
Illinois Firefighters' Pension Investment Fund	-	36,913,551	36,913,551
Prepaid items	4,683	622	5,305
Due from municipality	958,521	483,432	1,441,953
Total assets	63,148,480	37,840,552	100,989,032
LIABILITIES			
Accounts payable	1,355	1,125	2,480
Total liabilities	1,355	1,125	2,480
NET POSITION RESTRICTED FOR PENSIONS	\$ 63,147,125	\$ 37,839,427	\$ 100,986,552

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended December 31, 2025

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 4,373,904	\$ 2,322,493	\$ 6,696,397
Employee contributions	698,667	379,827	1,078,494
Total contributions	5,072,571	2,702,320	7,774,891
Investment income			
Net appreciation in fair value of investments	8,927,991	4,790,026	13,718,017
Interest	365,705	705,422	1,071,127
Total investment income	9,293,696	5,495,448	14,789,144
Less investment expense	(48,616)	(67,275)	(115,891)
Net investment income	9,245,080	5,428,173	14,673,253
Total additions	14,317,651	8,130,493	22,448,144
DEDUCTIONS			
Benefits and refunds	4,080,172	2,083,500	6,163,672
Administrative expenses	48,999	43,181	92,180
Total deductions	4,129,171	2,126,681	6,255,852
NET INCREASE	10,188,480	6,003,812	16,192,292
NET POSITION RESTRICTED FOR PENSIONS			
January 1	52,958,645	31,835,615	84,794,260
December 31	\$ 63,147,125	\$ 37,839,427	\$ 100,986,552

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 4,373,805	\$ 4,373,805	\$ 4,373,904
Employee contributions	722,139	722,139	698,667
Total contributions	5,095,944	5,095,944	5,072,571
Investment income			
Net appreciation in fair value of investments	1,000,000	1,000,000	8,927,991
Interest	100,000	100,000	365,705
Total investment income	1,100,000	1,100,000	9,293,696
Less investment expense	(68,000)	(68,000)	(48,616)
Net investment income	1,032,000	1,032,000	9,245,080
Total additions	6,127,944	6,127,944	14,317,651
DEDUCTIONS			
Benefits and refunds	4,390,621	4,390,621	4,080,172
Administrative expenses	73,025	73,025	48,999
Total deductions	4,463,646	4,463,646	4,129,171
NET INCREASE	<u>\$ 1,664,298</u>	<u>\$ 1,664,298</u>	10,188,480
NET POSITION RESTRICTED FOR PENSIONS			
January 1			<u>52,958,645</u>
December 31			<u>\$ 63,147,125</u>

(See independent auditor's report.)

VILLAGE OF HANOVER PARK, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer contributions	\$ 2,322,438	\$ 2,322,438	\$ 2,322,493
Employee contributions	387,091	387,091	379,827
Total contributions	2,709,529	2,709,529	2,702,320
Investment income			
Net appreciation in fair value of investments	800,000	800,000	4,790,026
Interest	80,000	80,000	705,422
Total investment income	880,000	880,000	5,495,448
Less investment expense	(45,000)	(45,000)	(67,275)
Net investment income	835,000	835,000	5,428,173
Total additions	3,544,529	3,544,529	8,130,493
DEDUCTIONS			
Benefits and refunds	2,191,040	2,191,040	2,083,500
Administrative expenses	72,220	72,220	43,181
Total deductions	2,263,260	2,263,260	2,126,681
NET INCREASE	\$ 1,281,269	\$ 1,281,269	6,003,812
NET POSITION RESTRICTED FOR PENSIONS			
January 1			31,835,615
December 31			\$ 37,839,427

(See independent auditor's report.)

STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	133-142
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	143-152
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	153-156
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	157-158
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	159-162

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

VILLAGE OF HANOVER PARK, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018*	2019
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 52,470,477	\$ 53,331,685	\$ 56,319,828	\$ 59,646,563
Restricted	7,366,374	8,097,770	9,354,849	11,225,970
Unrestricted	(14,420,304)	(14,243,345)	(17,856,992)	(13,530,269)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 45,416,547	\$ 47,186,110	\$ 47,817,685	\$ 57,342,264
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 23,578,647	\$ 23,575,332	\$ 23,868,701	\$ 23,624,289
Restricted	-	-	-	-
Unrestricted	8,846,752	8,984,517	8,967,072	9,797,313
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 32,425,399	\$ 32,559,849	\$ 32,835,773	\$ 33,421,602
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 76,049,124	\$ 76,907,017	\$ 80,188,529	\$ 83,270,852
Restricted	7,366,374	8,097,770	9,354,849	11,225,970
Unrestricted	(5,573,552)	(5,258,828)	(8,889,920)	(3,732,956)
TOTAL PRIMARY GOVERNMENT	\$ 77,841,946	\$ 79,745,959	\$ 80,653,458	\$ 90,763,866

*The Village implemented GASB 75 for year ended December 31, 2018.

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 64,256,664	\$ 65,186,567	\$ 67,145,083	\$ 75,226,618	\$ 82,883,029	\$ 83,915,149
11,030,353	14,358,584	20,638,166	27,786,609	37,216,950	33,765,108
(7,402,325)	3,864,932	8,281,788	2,373,620	1,090,243	18,225,340
\$ 67,884,692	\$ 83,410,083	\$ 96,065,037	\$ 105,386,847	\$ 121,190,222	\$ 135,905,597
\$ 24,261,288	\$ 23,512,012	\$ 26,695,260	\$ 28,016,008	\$ 29,226,024	\$ 28,106,340
-	-	1,592,902	-	-	-
9,860,670	10,374,873	7,391,305	8,268,908	8,938,196	10,597,682
\$ 34,121,958	\$ 33,886,885	\$ 35,679,467	\$ 36,284,916	\$ 38,164,220	\$ 38,704,022
\$ 88,517,952	\$ 88,698,579	\$ 93,840,343	\$ 103,242,626	\$ 112,109,053	\$ 112,021,489
11,030,353	14,358,584	22,231,068	27,786,609	37,216,950	33,765,108
2,458,345	14,239,805	15,673,093	10,642,528	10,028,439	28,823,022
\$ 102,006,650	\$ 117,296,968	\$ 131,744,504	\$ 141,671,763	\$ 159,354,442	\$ 174,609,619

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018*	2019
EXPENSES				
Governmental activities				
General government	\$ 5,009,322	\$ 5,760,254	\$ 4,502,681	\$ 5,296,307
Public works	5,182,283	6,368,070	5,015,307	5,533,768
Public safety	20,981,314	21,225,292	23,825,108	23,384,681
Community development	4,005,981	3,618,986	4,193,206	4,082,104
Highways and streets	703,424	866,856	591,102	700,207
Interest and fiscal charges	925,399	894,677	858,826	819,786
Total governmental activities expenses	36,807,723	38,734,135	38,986,230	39,816,853
Business-type activities				
Water and sewer	11,669,151	12,302,852	11,535,226	11,262,405
Parking	380,323	341,781	336,950	390,377
Total business-type activities expenses	12,049,474	12,644,633	11,872,176	11,652,782
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 48,857,197	\$ 51,378,768	\$ 50,858,406	\$ 51,469,635
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,315,662	\$ 1,322,448	\$ 1,330,699	\$ 1,478,753
Public safety	2,043,407	2,113,433	2,540,205	2,561,575
Community development	11,794	16,181	68,644	3,849,912
Public works	283,057	327,493	330,295	335,096
Operating grants and contributions	1,267,251	1,522,434	1,946,078	1,831,037
Capital grants and contributions	255,138	247,958	-	-
Total governmental activities program revenues	5,176,309	5,549,947	6,215,921	10,056,373
Business-type activities				
Charges for services				
Water and sewer	10,615,438	10,577,058	10,382,911	10,172,855
Parking	443,695	393,290	432,160	400,871
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	11,059,133	10,970,348	10,815,071	10,573,726
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 16,235,442	\$ 16,520,295	\$ 17,030,992	\$ 20,630,099

2020	2021	2022	2023	2024	2025
\$ 5,796,773	\$ 3,094,879	\$ 5,104,206	\$ 9,660,692	\$ 11,069,502	\$ 11,084,127
4,396,004	4,299,445	4,615,317	4,780,144	5,186,235	5,353,163
22,301,152	22,264,675	26,570,820	26,644,818	28,211,192	22,811,790
5,149,348	7,122,168	7,017,499	4,975,152	4,398,251	6,073,933
881,961	3,845,558	4,884,665	2,128,771	1,626,381	1,453,096
323,799	314,373	276,076	235,543	193,393	153,705
38,849,037	40,941,098	48,468,583	48,425,120	50,684,954	46,929,814
11,129,895	14,267,474	13,134,009	12,657,540	12,657,800	13,923,656
340,495	339,367	1,164,758	649,304	388,381	442,478
11,470,390	14,606,841	14,298,767	13,306,844	13,046,181	14,366,134
\$ 50,319,427	\$ 55,547,939	\$ 62,767,350	\$ 61,731,964	\$ 63,731,135	\$ 61,295,948
\$ 1,238,169	\$ 1,327,770	\$ 1,411,482	\$ 1,331,011	\$ 1,364,717	\$ 1,316,650
2,362,402	2,602,346	2,845,559	2,668,730	397,616	3,355,069
173,563	153,353	109,324	86,657	2,888,977	89,807
246,916	548,628	555,946	463,431	78,792	466,877
3,757,088	57,000	-	-	-	2,699,282
-	2,824,321	3,242,419	1,762,880	6,179,053	-
7,778,138	7,513,418	8,164,730	6,312,709	10,909,155	7,927,685
10,356,322	10,187,094	10,177,941	10,570,693	10,970,560	14,280,790
183,141	56,474	102,844	129,719	133,566	148,008
-	2,546,552	3,260,726	132,448	545,316	143,096
10,539,463	12,790,120	13,541,511	10,832,860	11,649,442	14,571,894
\$ 18,317,601	\$ 20,303,538	\$ 21,706,241	\$ 17,145,569	\$ 22,558,597	\$ 22,499,579

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018*	2019
NET (EXPENSES) REVENUES				
Governmental activities	\$ (31,631,414)	\$ (33,184,188)	\$ (32,770,309)	\$ (29,760,480)
Business-type activities	(990,341)	(1,674,285)	(1,057,105)	(1,079,056)
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (32,621,755)	\$ (34,858,473)	\$ (33,827,414)	\$ (30,839,536)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 15,837,755	\$ 15,741,338	\$ 15,673,297	\$ 16,811,936
Home rule sales tax	3,851,280	4,197,024	4,481,756	4,753,609
Utility	1,896,000	1,788,223	1,997,184	1,854,237
Other taxes	2,110,440	1,790,427	2,100,771	2,178,732
Intergovernmental				
Income tax	3,696,445	3,487,788	3,636,525	4,041,810
Sales tax	5,911,386	6,395,188	6,757,407	7,189,023
Use tax	922,304	982,230	1,115,475	1,281,271
Other intergovernmental	87,160	101,644	84,998	101,684
Investment income	89,607	198,840	575,434	763,849
Miscellaneous	282,508	412,898	301,930	257,683
Special Item - Gain on Sale of Equity Interest	-	-	-	-
Transfers	76,000	(141,849)	-	-
Total governmental activities	34,760,885	34,953,751	36,724,777	39,233,834
Business-type activities				
Investment income	12,081	73,199	180,893	257,078
Miscellaneous	1,350,513	1,593,687	1,572,459	1,574,689
Transfers	(76,000)	141,849	-	-
Total business-type activities	1,286,594	1,808,735	1,753,352	1,831,767
TOTAL PRIMARY GOVERNMENT	\$ 36,047,479	\$ 36,762,486	\$ 38,478,129	\$ 41,065,601
CHANGE IN NET POSITION				
Governmental activities	\$ 3,129,471	\$ 1,769,563	\$ 3,954,468	\$ 9,473,354
Business-type activities	296,253	134,450	696,247	752,711
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 3,425,724	\$ 1,904,013	\$ 4,650,715	\$ 10,226,065

*The Village implemented GASB 75 for year ended December 31, 2018.

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ (31,070,899)	\$ (33,427,680)	\$ (40,303,853)	\$ (42,112,411)	\$ (39,775,799)	\$ (39,002,129)
(930,927)	(1,816,721)	(757,256)	(2,473,984)	(1,396,739)	205,760
\$ (32,001,826)	\$ (35,244,401)	\$ (41,061,109)	\$ (44,586,395)	\$ (41,172,538)	\$ (38,796,369)
\$ 16,203,849	\$ 16,506,192	\$ 16,321,211	\$ 16,671,650	\$ 16,575,520	\$ 17,305,264
6,038,100	9,443,282	11,273,479	8,142,028	8,157,212	9,937,791
1,740,974	1,688,896	1,669,839	1,573,690	1,540,075	1,586,703
2,203,104	2,802,177	2,663,801	2,562,109	2,692,858	3,557,632
4,126,485	5,012,020	6,105,635	5,984,685	6,363,170	6,757,502
8,976,875	11,395,783	11,915,838	9,064,576	8,889,360	11,027,926
1,695,618	1,448,845	1,518,590	1,458,521	1,328,147	336,148
93,807	235,858	638,610	1,392,057	2,558,776	129,076
232,320	79,484	503,363	3,262,031	3,620,886	2,922,874
278,795	340,534	348,441	356,254	3,853,170	156,588
-	-	-	936,620	-	-
23,400	-	-	30,000	-	-
41,613,327	48,953,071	52,958,807	51,434,221	55,579,174	53,717,504
80,269	7,387	123,679	502,851	346,659	334,042
1,574,414	1,574,261	2,426,159	2,606,582	2,929,384	-
(23,400)	-	-	(30,000)	-	-
1,631,283	1,581,648	2,549,838	3,079,433	3,276,043	334,042
\$ 43,244,610	\$ 50,534,719	\$ 55,508,645	\$ 54,513,654	\$ 58,855,217	\$ 54,051,546
\$ 10,542,428	\$ 15,525,391	\$ 12,654,954	\$ 9,321,810	\$ 15,803,375	\$ 14,715,375
700,356	(235,073)	1,792,582	605,449	1,879,304	539,802
\$ 11,242,784	\$ 15,290,318	\$ 14,447,536	\$ 9,927,259	\$ 17,682,679	\$ 15,255,177

VILLAGE OF HANOVER PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL FUND				
Nonspendable	\$ 381,659	\$ 324,481	\$ 293,222	\$ 192,354
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	19,432,402	21,124,648	22,115,466	23,391,983
TOTAL GENERAL FUND	\$ 19,814,061	\$ 21,449,129	\$ 22,408,688	\$ 23,584,337
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ 8,099	\$ -	\$ -
Restricted	7,366,374	8,097,770	9,354,849	11,225,970
Assigned	925,390	1,465,047	793,723	1,039,084
Unassigned (deficit)	(363,202)	(234,789)	(156,190)	(88,402)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,928,562	\$ 9,336,127	\$ 9,992,382	\$ 12,176,652

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 29,449	\$ 33,231	\$ 55,174	\$ 37,833	\$ 61,887	\$ 1,342,659
-	-	-	-	6,134,979	-
-	-	-	-	-	6,410,954
28,830,428	37,759,623	37,812,992	35,016,841	36,655,196	42,750,207
\$ 28,859,877	\$ 37,792,854	\$ 37,868,166	\$ 35,054,674	\$ 42,852,062	\$ 50,503,820
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,324
11,030,353	14,394,251	16,795,226	27,541,316	30,750,282	33,369,501
1,255,720	1,212,347	7,367,406	4,467,926	2,069,977	3,072,076
-	-	-	-	-	-
\$ 12,286,073	\$ 15,606,598	\$ 24,162,632	\$ 32,009,242	\$ 32,820,259	\$ 36,449,901

VILLAGE OF HANOVER PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
REVENUES				
Taxes	\$ 23,695,474	\$ 23,517,011	\$ 24,253,008	\$ 25,598,513
Intergovernmental	11,898,609	12,420,236	13,248,330	14,235,104
Licenses and permits	1,168,407	1,267,962	1,279,465	1,294,601
Charges for services	1,719,499	1,603,708	1,880,744	1,986,105
Fines and forfeitures	766,115	907,692	1,109,612	1,160,816
Investment income	89,607	198,840	575,434	763,849
Miscellaneous	523,483	730,098	594,105	467,427
Total revenues	39,861,194	40,645,547	42,940,698	45,506,415
EXPENDITURES				
General government	3,671,745	3,946,578	4,287,169	4,468,215
Public works	3,874,431	3,981,239	4,237,892	4,296,111
Public safety	19,551,407	20,500,538	21,372,010	21,740,295
Community development	3,574,079	3,536,293	4,232,128	3,762,696
Highways and streets	728,074	885,352	619,997	739,471
Capital outlay	2,817,230	2,923,902	4,812,292	5,024,317
Debt service				
Principal	985,000	1,030,000	1,050,000	1,070,000
Interest and fiscal charges	929,399	899,012	863,396	824,691
Total expenditures	36,131,365	37,702,914	41,474,884	41,925,796
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,729,829	2,942,633	1,465,814	3,580,619
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	-	-
Premiums (discounts) on bond issuance	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	1,273,396	2,178,155	2,190,805	2,948,642
Transfers (out)	(1,197,396)	(2,078,155)	(2,190,805)	(3,169,342)
Sale of capital assets	-	-	150,000	-
Total other financing sources (uses)	76,000	100,000	150,000	(220,700)
Special Item - Gain on Sale of Equity Interest	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 3,805,829	\$ 3,042,633	\$ 1,615,814	\$ 3,359,919
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.99%	5.99%	5.04%	4.97%

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 26,186,026	\$ 30,440,547	\$ 31,928,330	\$ 28,949,477	\$ 28,965,665	\$ 32,387,390
18,539,007	20,916,827	23,421,092	19,662,719	25,318,506	20,949,934
1,143,061	1,470,518	1,478,284	1,358,951	1,321,607	960,759
1,698,259	2,218,944	2,497,968	2,332,090	2,385,355	3,032,097
1,061,886	999,635	946,059	858,788	1,023,140	1,235,547
232,320	21,304	387,484	2,963,152	3,250,750	2,922,874
389,613	340,534	348,441	356,254	3,868,404	156,588
49,250,172	56,408,309	61,007,658	56,481,431	66,133,427	61,645,189
5,214,787	4,604,107	4,920,718	5,170,312	5,361,181	6,521,785
4,018,408	4,299,445	4,615,317	4,780,144	5,186,235	5,209,648
21,719,698	22,715,333	25,252,746	25,821,866	27,944,023	29,193,204
5,042,370	6,489,435	6,769,510	4,748,211	4,398,251	4,955,874
910,523	753,511	877,200	948,249	1,380,380	1,526,583
5,197,456	3,816,176	8,502,821	13,527,271	12,004,852	3,675,962
1,310,000	970,000	1,010,000	1,050,000	1,095,000	1,135,000
498,842	466,800	428,000	387,600	345,600	305,696
43,912,084	44,114,807	52,376,312	56,433,653	57,715,522	52,523,752
5,338,088	12,293,502	8,631,346	47,778	8,417,905	9,121,437
12,980,000	-	-	-	-	-
1,868,674	-	-	-	-	-
(14,747,201)	-	-	-	-	-
1,673,775	2,138,382	11,704,532	11,248,012	7,622,507	1,346,500
(1,728,375)	(2,178,382)	(11,704,532)	(11,248,012)	(7,622,507)	(1,379,886)
-	-	-	-	190,500	324,927
46,873	(40,000)	-	-	190,500	291,541
-	-	-	4,985,340	-	-
\$ 5,384,961	\$ 12,253,502	\$ 8,631,346	\$ 5,033,118	\$ 8,608,405	\$ 9,412,978
4.40%	3.46%	2.96%	3.16%	3.03%	2.89%

VILLAGE OF HANOVER PARK, ILLINOIS

EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
COOK COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate
2015	\$ 173,215,080	\$ 2,948	\$ 52,111,633	\$ -	\$ 225,329,661	\$ -	\$ 225,329,661	\$ 2.8630
2016	207,382,952	2,948	54,022,230	-	261,408,130	-	261,408,130	2.5129
2017	204,823,395	2,948	56,692,894	-	261,519,237	-	261,519,237	2.4715
2018	200,296,460	2,948	55,213,759	-	255,513,167	-	255,513,167	2.5445
2019	243,467,047	2,948	60,280,496	-	303,750,491	-	303,750,491	2.1459
2020	240,170,906	2,948	61,186,458	-	301,360,312	-	301,360,312	2.1426
2021	220,515,669	2,948	56,540,027	-	277,058,644	-	277,058,644	2.2871
2022	297,337,730	2,948	56,527,891	70,172	353,938,741	-	353,938,741	1.7676
2023	307,442,214	2,948	56,403,985	459,865	364,309,012	-	364,309,012	1.7485
2024	304,739,795	1,656	55,279,488	468,244	360,489,183	-	360,489,183	1.7313

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS
EQUALIZED ASSESSED VALUE AND TOTAL DIRECT TAX RATE
DUPAGE COUNTY

Last Ten Levy Years

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Equalized Assessed Value	Total Direct Tax Rate	
2015	\$ 220,471,689	\$ 37,195	\$ 16,870,870	\$ 63,099,260	\$ 300,479,014	\$ 45,643	\$ 300,524,657	\$ 2.7346	\$ 525,808,675
2016	239,246,373	40,606	17,470,380	67,664,580	324,421,939	55,881	324,477,820	2.4410	\$ 585,830,069
2017	259,873,936	68,256	19,057,860	69,672,030	348,672,082	45,345	348,717,427	2.3051	\$ 610,191,319
2018	277,836,903	73,079	19,715,550	71,309,510	368,935,042	41,090	368,976,132	2.1702	\$ 624,448,209
2019	314,404,213	78,374	20,242,910	74,462,770	409,188,267	39,166	409,227,433	1.9419	\$ 712,938,758
2020	325,971,704	75,460	22,426,270	76,539,630	425,013,064	42,686	425,055,750	1.8999	\$ 726,373,376
2021	334,752,665	81,158	22,468,100	79,491,430	436,793,353	46,868	436,840,221	1.8675	\$ 713,851,997
2022	356,018,527	87,280	24,304,680	83,653,070	464,063,557	49,981	464,113,538	1.7781	\$ 818,002,298
2023	382,583,408	66,400	27,339,534	100,630,520	510,619,862	50,945	510,670,807	1.6160	\$ 874,928,874
2024	423,229,593	71,030	30,973,207	104,485,701	558,759,531	58,971	558,818,502	1.4759	\$ 919,248,714 to 6501

Data Source

Office of the County Clerk and Treasurer

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - COOK COUNTY

Last Ten Levy Years

Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VILLAGE DIRECT RATES										
General corporate rate	2.4750	1.5041	1.4128	1.4115	1.1272	1.0306	1.0359	0.8148	0.7270	0.6778
Police Pension	-	0.421	0.453	0.497	0.462	0.553	0.6432	0.4818	0.5332	0.5646
Fire Pension	-	0.253	0.279	0.302	0.278	0.325	0.3580	0.2778	0.2968	0.2998
Debt service rate	0.3880	0.3345	0.3268	0.3334	0.2787	0.2340	0.2500	0.1932	0.1915	0.1891
Total direct rate	2.8630	2.5129	2.4715	2.5445	2.1459	2.1426	2.2871	1.7676	1.7485	1.7313
OVERLAPPING RATES										
School District #46	7.9470	6.8370	6.9320	7.1200	6.4390	6.5750	7.1970	6.0220	6.0380	6.1969
School District #509	0.6540	0.5700	0.5620	0.6120	0.5440	0.5270	0.5520	0.4660	0.4510	0.4631
Hanover Park District	0.6650	0.5970	0.5970	0.6280	0.5420	0.5600	0.6040	0.5010	0.5170	0.6074
County including Forest Preserve District and TB Sanitarium	0.6210	0.5960	0.5580	0.5490	0.5130	0.5110	0.5040	0.5120	0.4610	0.4591
Hanover Township	0.3180	0.2750	0.2810	0.3840	0.3410	0.3520	0.3920	0.3320	0.5980	0.3417
Metropolitan Water Reclamation District	0.4260	0.4060	0.4020	0.3960	0.3890	0.3780	0.3820	0.3740	0.3450	0.3404
Northwest Mosquito Abatement District	0.0110	0.0100	0.0100	0.0110	0.0100	0.0100	0.0110	0.0090	0.0100	0.0105
Poplar Creek Library	0.6630	0.5800	0.5900	0.6210	0.5460	0.5640	0.6230	0.5240	0.5260	0.5456
Community Mental Health	0.0580	0.0570	0.0590	0.0630	0.0570	0.0590	0.0670	0.0570	0.0570	0.5828
Consolidated Elections	0.0340	-	0.0310	-	0.0300	-	0.0190	-	0.0320	-
TOTAL DIRECT AND OVERLAPPING TAX RATE	14.2600	12.4409	12.4935	12.9285	11.5569	11.6786	12.6381	10.5646	10.7835	11.2788

Note: Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all village property owners.

Data Source

Cook County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES - DUPAGE COUNTY

Last Ten Levy Years

Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VILLAGE DIRECT RATES										
General corporate rate	0.9664	0.5699	0.4692	0.3819	0.2735	0.1689	0.1127	0.1119	0.0311	0.0759
Fire protection	1.4449	0.9381	0.8951	0.8694	0.7910	0.7948	0.7884	0.7590	0.7006	0.5470
Police Pension	-	0.3676	0.3790	0.3802	0.3771	0.4383	0.4675	0.4310	0.4317	0.4292
Fire Pension	-	0.2791	0.2933	0.2882	0.2774	0.3159	0.3189	0.3049	0.2991	0.2813
Debt service rate	0.3233	0.2863	0.2685	0.2505	0.2229	0.1820	0.1800	0.1713	0.1535	0.1425
Total direct rate	2.7346	2.4410	2.3051	2.1702	1.9419	1.8999	1.8675	1.7781	1.6160	1.4759
OVERLAPPING RATES										
School District #93	5.0951	4.8165	4.6931	4.5643	4.5364	4.5597	4.4370	4.4300	4.2512	4.0792
School District #87	2.5173	2.4030	2.3402	2.2834	2.2296	2.2255	2.2284	2.2216	2.1976	2.1270
Community College #502	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2037	0.1946	0.1907	0.1794
Hanover Park District	0.6099	0.5606	0.5415	0.5194	0.4796	0.4801	0.4859	0.4787	0.4484	0.4993
County including Forest Preserve District and Airport	0.3781	0.3538	0.3221	0.3097	0.3038	0.2962	0.2908	0.2697	0.2681	0.2793
Wayne Township	0.1847	0.1759	0.1724	0.1704	0.0911	0.0904	0.0899	0.0891	0.0884	0.1476
Poplar Creek Library	0.6601	0.5893	0.5725	0.5552	0.5023	0.5173	0.5373	0.5163	0.4890	0.4715
TOTAL DIRECT AND OVERLAPPING TAX RATE	12.4584	11.6027	11.1900	10.8043	10.2959	10.2805	10.1405	9.9781	9.5494	9.2592

Note: Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all village property owners.

Data Source

DuPage County Clerk's Office

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
AMB Prop RE Tax Co.	\$ 19,070,976	1	2.07%	\$ 7,907,880	1	1.50%
Menards	11,276,621	2	1.23%	2,615,129	5	0.50%
MS Claremont LP - Symphony	7,462,777	3	0.81%	2,494,861	6	0.47%
Fisher Scientific Company	6,623,350	4	0.72%	3,611,420	3	0.69%
Cenral Avenue LLC	5,906,237	5	0.64%			
WestView LLC (IG Capital LLC)	5,662,413	6	0.62%			
Integrity Real Property LLC	4,648,120	7	0.51%			
Pebblewood 23 LLC	4,500,404	8	0.49%			
FRG X IL 1 LP	3,876,912	9	0.42%			
Iron Mountain Info Mgmt	3,447,064	10	0.37%	2,218,170	8	0.42%
New Plan Excel Realty				3,766,057	2	0.72%
Cardinal Capital Partners - GE Trans				2,726,870	4	0.52%
National Shopping Plaza				1,002,882	9	0.19%
Public Storage				532,755	10	0.10%
GPT Hunter Road - Insight				2,459,660	7	0.47%
TOTAL	<u>\$ 72,474,874</u>		<u>7.88%</u>	<u>\$ 29,335,684</u>		<u>5.58%</u>

Data Source

Office of the Cook and DuPage County Clerk's

VILLAGE OF HANOVER PARK, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Fiscal Period Ended	Tax Levied	Collected Within the Fiscal Period of the Levy		Collections in Subsequent Periods	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2016	\$ 13,386,715	\$ 13,370,538	99.88%	\$ 16,177	\$ 13,386,715	100.00%
2016	2017	13,386,715	13,295,995	99.32%	90,720	13,386,715	100.00%
2017	2018	13,386,715	13,231,740	98.84%	102,246	13,333,986	99.61%
2018	2019	13,386,715	13,287,963	99.26%	98,752	13,386,715	100.00%
2019	2020	13,383,696	13,266,643	99.13%	58,272	13,324,915	99.56%
2020	2021	13,383,696	13,266,038	99.12%	72,941	13,338,979	99.67%
2021	2022	13,383,696	13,300,274	99.38%	41,800	13,342,074	99.69%
2022	2023	13,383,696	13,303,546	99.40%	19,017	13,322,563	99.54%
2023	2024	13,383,696	13,266,740	99.13%	22,924	13,289,664	99.30%
2024	2025	13,383,696	13,206,085	98.67%	-	13,206,085	98.67%

Note: Levies for all Special Service Areas have been excluded from this table.

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General merchandise	\$ -	\$ 14,364	\$ (18,810)	\$ 9,760	\$ -	\$ 945	\$ 966	\$ 2,311	\$ 19,563	\$ 31,944
Food	576,736	583,480	582,809	606,709	690,629	646,492	695,037	659,405	589,295	668,235
Drinking and eating places	305,715	277,375	308,618	326,183	290,686	334,955	355,801	379,200	388,099	388,247
Apparel	-	4,142	9,826	227	-	26,822	34,934	43,074	54,206	92,372
Furniture, HH and radio	20,856	16,786	18,161	20,353	20,699	64,987	57,799	29,627	77,686	195,655
Lumber, building and hardware	615,656	628,656	642,765	638,648	713,681	730,233	727,014	719,258	682,162	641,744
Automobile and filling stations	292,880	288,816	177,235	229,666	239,934	321,590	325,647	312,885	453,199	467,856
Drugs and miscellaneous retail	519,202	524,001	618,984	584,634	559,661	894,277	966,080	922,000	1,706,578	438,361
Agriculture and all others	3,486,299	3,956,078	4,341,891	4,725,843	6,436,460	8,322,766	8,702,129	5,965,306	5,579,915	7,197,097
Manufacturers	72,118	71,165	75,243	46,459	24,229	52,715	50,428	31,510	19,106	142,028
TOTAL	\$ 5,889,462	\$ 6,364,863	\$ 6,756,722	\$ 7,188,482	\$ 8,975,979	\$ 11,395,782	\$ 11,915,835	\$ 9,064,576	\$ 9,569,809	\$ 10,263,539
VILLAGE DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

HOME RULE TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General merchandise	\$ -	\$ 9,282	\$ (12,331)	\$ 6,080	\$ -	\$ 825	\$ 949	\$ 2,168	\$ 16,950	\$ 29,074
Food	116,472	123,923	127,167	125,720	130,777	181,301	201,552	209,364	192,854	210,024
Drinking and eating places	217,608	198,415	222,819	237,864	217,062	295,095	354,234	374,808	384,951	380,643
Apparel	-	3,093	7,367	170	-	25,290	34,697	42,702	53,797	91,940
Furniture, HH and radio	15,643	12,583	13,615	15,265	15,516	60,505	57,610	29,593	77,655	195,542
Lumber, building and hardware	453,347	463,134	473,570	469,685	524,697	627,400	711,619	704,555	667,772	627,030
Automobile and filling stations	198,978	197,843	117,780	152,325	155,483	247,906	270,399	266,700	400,633	413,437
Drugs and miscellaneous retail	186,821	178,906	253,395	228,438	206,367	535,419	668,527	594,257	1,185,107	276,702
Agriculture and all others	2,592,831	2,958,260	3,251,305	3,535,375	4,822,572	7,490,612	8,699,775	5,960,795	5,679,932	7,124,792
Manufacturers	53,339	52,671	55,703	33,968	892,623	44,444	49,444	37,385	18,483	119,767
TOTAL	\$ 3,835,039	\$ 4,198,110	\$ 4,510,390	\$ 4,804,890	\$ 6,965,097	\$ 9,508,797	\$ 11,048,806	\$ 8,222,327	\$ 8,678,134	\$ 9,468,951
VILLAGE HOME RULE SALES TAX RATE	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - COOK COUNTY

Last Ten Calendar Years

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%
Regional Transportation Authority	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County home rule rate	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	9.75%	9.75%	9.75%	9.75%	9.75%	10.00%	10.00%	10.00%	10.00%	10.00%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES - DUPAGE COUNTY

Last Ten Calendar Years

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Village direct rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%
Regional Transportation Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
County direct rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
State rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TOTAL	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%

Data Source

Illinois Department of Revenues

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Subscription Payable	Tax Increment Revenue Bonds						
2016	\$ 17,667,537	\$ -	\$ -	\$ 383,924	\$ 18,051,461	\$ 525,854,318	3.43%	2.10%	\$ 475.84
2017	16,635,910	-	-	151,013	16,786,923	585,885,950	2.87%	1.95%	442.58
2018	15,584,283	-	-	36,694	15,620,977	610,236,664	2.56%	1.82%	411.92
2019	14,512,658	-	-	-	14,512,658	624,489,299	2.32%	1.69%	382.18
2020	13,368,795	-	-	-	13,368,795	712,977,924	1.88%	1.55%	352.06
2021	12,228,916	-	-	-	12,228,916	726,416,062	1.68%	1.22%	326.37
2022	11,049,037	-	-	-	11,049,037	713,898,865	1.55%	1.10%	294.88
2023	9,829,158	556,536	-	-	10,385,694	818,052,279	1.27%	1.03%	277.17
2024	8,564,279	488,232	-	3,774,986	12,827,497	874,979,819	1.47%	1.28%	342.34
2025	7,259,399	418,177	-	8,331,075	16,008,651	919,307,685	1.74%	1.59%	427.24

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

(1) See the schedule of Demographic and Economic Statistics for personal income and population data.

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2016	\$ 17,667,537	\$ 192,710	\$ 17,474,827	3.32%	\$ 460.19
2017	16,635,910	288,429	16,347,481	2.79%	430.50
2018	15,584,283	379,804	15,204,479	2.49%	400.40
2019	14,512,658	477,033	14,035,625	2.25%	369.62
2020	13,368,795	485,633	12,883,162	1.81%	339.27
2021	12,228,916	460,464	11,768,452	1.62%	314.08
2022	11,049,037	288,429	10,760,608	1.48%	281.83
2023	9,829,158	379,804	9,449,354	1.13%	246.62
2024	8,564,279	477,033	8,087,246	0.91%	211.93
2025	7,259,399	684,321	6,575,078	0.72%	175.48

Note: The amounts in the Village's debt service funds are externally restricted and, as such, the per capita ratio uses the net bonded debt. Further details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Ratios of Outstanding Debt by Type for equalized assessed value data (actual taxable value of property).

(2) See the schedule of Demographic and Economic Statistics for the per capita income data.

Data Source

Village Records

VILLAGE OF HANOVER PARK, ILLINOIS

DIRECT AND OVERLAPPING BONDED DEBT

December 31, 2025

Governmental Unit	Outstanding GO Bonded Debt		Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Hanover Park	\$ 7,259,399		100.00%	\$ 7,259,399
School District #20	12,045,000		39.72%	4,784,274
School District #93	2,625,000	(4)	47.27%	1,240,838
High School District #211	-	(3)(4)	27.11%	-
High School District #108	6,860,000	(3)	22.85%	1,567,510
High School District #54	-		35.68%	-
Community School District #46	204,735,000	(2)	60.57%	124,007,990
Community College District #502	64,455,000	(3)	2.14%	1,379,337
Community College District #509	127,385,000	(2)	4.69%	5,974,357
Community College District #512	232,507,459		3.96%	9,207,295
Total school districts	650,612,459			148,161,601
Cook County	1,930,661,750		2.18%	42,088,426
DuPage County	17,275,000	(3)(4)	1.18%	203,845
Cook County Forest Preserve District	83,326,530	(3)	0.64%	533,290
DuPage County Forest Preserve District	47,795,000	(2)(3)	1.56%	745,602
Metropolitan Water Reclamation District	2,565,241,988	(1)	3.17%	81,318,171
Bartlett Park District	14,760,000	(3)	6.32%	932,832
Hanover Park Park District	8,802,650	(3)	5.65%	497,350
Schaumburg Park District	7,000,000	(3)	3.24%	226,800
Bloomington Fire Protection District	1,420,288		7.56%	107,374
Total other	4,676,283,206			126,653,690
Total overlapping debt	5,326,895,665			274,815,291
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 5,334,155,064			\$ 282,074,690

(1) Includes IEPA Revolving Loan Fund Bonds.

(2) Includes original principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

(3) Excludes principal amounts of outstanding General Obligation alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(4) Excludes outstanding debt certificates.

Data Sources

Cook and DuPage County Clerk's Office, Cook County Comptroller and the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

VILLAGE OF HANOVER PARK, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2025

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF HANOVER PARK, ILLINOIS
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2016	37,973	\$ 859,822,639	\$ 22,643	31.5	7,799	5.70%
2017	37,973	859,822,639	22,643	31.5	7,799	5.80%
2018	37,973	859,822,639	22,643	31.5	7,799	5.70%
2019	37,973	859,822,639	22,643	31.5	7,799	5.70%
2020	37,973	859,822,639	22,643	31.5	7,799	8.20%
2021	37,470	1,005,057,810	26,823	31.5	7,518	6.70%
2022	37,470	1,005,057,810	26,823	31.5	7,518	5.50%
2023	37,470	1,005,057,810	26,823	31.5	7,518	4.80%
2024	37,470	1,005,057,810	26,823	31.5	7,518	4.80%
2025	37,470	1,005,057,810	26,823	31.5	7,518	4.80%

Data Source

(1) Illinois Department of Employment Security (using annual averages)

VILLAGE OF HANOVER PARK, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2025			2016		
	Number of Employees	Rank	Percentage of Total Village Employment	Number of Employees	Rank	Percentage of Total Village Employment
Insight Enterprises, Inc.	460	1	6.79%	250	3	5.00%
Tri-Dem Filter	300	2	4.43%			
Camcraft, Inc.	282	3	4.16%	245	4	4.90%
Hanover Park Park District	279	4	4.12%			
Thermo Fischer Scientific	275	5	4.06%	300	2	6.00%
Village of Hanover Park	227	6	3.35%	193	9	3.86%
Fuji Film	190	7	2.80%	200	6	4.00%
Jabil Packaging Solutions	160	8	2.36%			
Menards	158	9	2.33%	200	7	4.00%
Pentair/Everpure, LLC	156	10	2.30%	200	5	4.00%
Lineage Food Service Solution (aka. Maines Paper & Food Service				400	1	8.00%
General Binding Corp.				200	8	4.00%
Fellowes Manufacturing				190	10	3.80%
	<u>2,487</u>		<u>36.70%</u>	<u>2,378</u>		<u>47.56%</u>
<u>Data Source</u>						

Business License Renewal Form

VILLAGE OF HANOVER PARK, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Village Clerk	2	2	2	2	2	1	1	1	1	1
Administration	3	3	3	3	3	3	3	3	3	3
Human Resources	3	3	3	3	3	3	3	4	4	4
Information Technology	3	3	3	3	3	3	3	3	3	3
Finance	11	11	11	11	11	11	11	11	11	11
PUBLIC WORKS	38	34	34	32	33	33	34	32	32	32
POLICE	85	84	81	85	85	85	85	86	86	86
FIRE	41	41	41	41	41	40	41	44	44	44
COMMUNITY DEVELOPMENT	3	3	3	3	4	4	4	5	5	5
WATER AND SEWER	9	12	15	15	15	15	15	17	17	17
TOTAL	198	196	196	198	200	198	200	206	206	206

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC WORKS										
Forestry										
Number of parkway trees planted	630	521	548	587	-	-	75	78	186	88
Number of parkway trees trimmed	1,570	959	1,435	1,516	-	1,550	1,200	1,588	1,379	1,476
Brush pickup program (cubic yards collected)	1,095	905	705	835	685	965	560	750	740	600
Fleet services										
Number of vehicles maintained	156	161	160	160	155	156	151	154	157	159
Preventative maintenance services	408	477	442	456	471	475	428	395	488	352
PUBLIC SAFETY										
Fire										
Number of fire calls	1,101	1,265	1,360	1,011	981	991	1,222	1,313	1,301	1,229
Number of EMS calls	2,455	2,293	2,197	2,478	2,412	2,699	2,853	2,784	2,743	2,850
Number of training hours	14,120	13,595	14,389	13,435	8,508	7,549	7,225	8,186	7,253	12,484
ISO rating	2	2	2	2	2	2	2	2	2	2
Police										
Part I crime	295	279	250	288	297	234	234	246	193	175
Part II crime	3,998	3,637	3,797	3,089	2,111	2,164	2,296	2,328	2,565	2,478
Calls for service	49,150	48,763	47,656	43,406	39,056	40,992	40,644	43,152	44,411	44,522
State tickets issued	7,116	7,319	6,577	6,929	5,111	5,136	5,448	6,766	7,143	7,744
Compliance tickets issued	1,463	-	1,497	2,662	793	902	521	713	703	821
Parking tickets issued	10,223	9,058	9,481	9,206	4,423	6,936	9,044	9,117	10,294	10,315
COMMUNITY DEVELOPMENT										
Number of building permits issued	1,896	1,971	2,020	1,952	1,499	1,727	1,901	1,789	1,816	1,483
Number of building inspections	6,076	5,773	6,033	3,460	3,638	3,644	3,805	3,909	3,420	3,485
Number of food service inspections	401	386	313	396	430	155	161	163	159	161
HIGHWAYS AND STREETS										
Sidewalk replaced (square feet)	20,661	25,260	27,929	32,360	33,542	49,907	79,135	44,963	55,484	37,203
Annual resurfacing program (\$)	1,082,954	842,910	908,441	2,554,715	1,428,568	2,246,570	4,556,301	3,066,113	3,821,283	2,800,637
Crack sealing (pounds installed)	16,666	18,000	19,050	15,900	-	17,000	-	27,013	18,000	54,224

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WATER AND SEWER										
Water main breaks	55	63	81	56	53	63	72	79	61	53
Hydrants flushed	1,482	1,546	1,488	1,428	1,484	1,461	1,633	1,539	1,463	1,500
Water meters read	107,171	118,874	157,217	143,121	161,561	161,561	19,855	3,521	574	616
Water meter service requests	3,393	3,097	5,053	318	3,843	1,900	849	723	789	36
Water meters replaced	100	136	247	149	61	11	32	28	12	53
Total distribution pumpage (1,000 gallons)	806,682	815,048	870,441	849,511	854,638	893,382	935,535	889,585	885,361	887,481
Average daily pumpage (1,000 gallons)	2,204	2,233	2,385	2,327	2,335	2,448	2,555	2,437	2,419	2,431
Sanitary sewer televising (feet)	54,051	27,692	21,579	2,585	14,631	43,768	94,334	52,060	13,666	15,612
Sanitary sewer repairs	5	2	8	1	2	5	3	3	1	25

Note: Indicators are not available for the general government functions.

Data Source

Village records

VILLAGE OF HANOVER PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire										
Fire stations	2	2	2	2	2	2	2	2	3	3
PUBLIC WORKS										
Streets (miles)	80.13	80.13	85.22	85.22	85.22	85.41	85.41	85.53	85.53	85.53
Sidewalks (miles)	155.30	155.37	155.37	155.38	155.38	155.57	155.57	155.57	155.57	155.57
Streetlights	1,088	1,121	1,154	1,160	1,185	1,185	1,306	1,352	1,336	1,360
WATER AND SEWER										
Water mains (miles)	112.35	112.35	125.58	125.58	125.58	126.39	122.16	122.55	123.90	122.52
Fire hydrants	1,483	1,482	1,485	1,482	1,482	1,495	1,503	1,511	1,521	1,520
Sanitary sewers (miles)	94.03	94.03	93.10	93.10	93.10	93.10	93.10	90.49	95.80	94.12
Manholes	2,353	2,353	2,383	2,353	2,353	2,394	2,394	2,353	2,354	2,424

Data Source

Village records