

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended
March 31, 2005

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 BARTLETT, ILLINOIS
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BARTLETT, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

The Honorable Town Supervisor
Members of the Board of Trustees
Hanover Township
Bartlett, Illinois

We have audited the basic financial statements of Hanover Township, as of and for the year ended March 31, 2005, as listed in the accompanying table of contents. These basic financial statements are the responsibility of Hanover Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

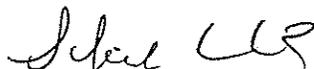
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Hanover Township, as of March 31, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township has not presented a Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Township has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of April 1, 2004. This results in a change in the Township's format and content of the basic financial statements and notes to the financial statements.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of Hanover Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Aurora, Illinois
December 2, 2005

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

STATEMENT OF NET ASSETS

March 31, 2005

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 5,591,873 |
| Receivables (net, where applicable of allowances for uncollectibles) | |
| Taxes | 2,665,881 |
| Intergovernmental | 162,070 |
| Prepaid expenses | 17,886 |
| Capital assets, not being depreciated | 633,541 |
| Capital assets, being depreciated (net of accumulated depreciation) | <u>5,345,599</u> |
| Total assets | <u>14,416,850</u> |
| LIABILITIES | |
| Accounts payable | 346,098 |
| Accrued interest | 2,595 |
| Deferred revenue | 2,663,430 |
| Noncurrent liabilities | |
| Due within one year | 1,147,566 |
| Due in more than one year | <u>106,451</u> |
| Total liabilities | <u>4,266,140</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 4,867,057 |
| Restricted for | |
| Senior services | 535,639 |
| Roads and bridges | 1,846,562 |
| Mental health | 490,228 |
| General assistance | 382,971 |
| Retirement benefits | 163,169 |
| Unrestricted | <u>1,865,084</u> |
| TOTAL NET ASSETS | <u>\$ 10,150,710</u> |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2005

| FUNCTIONS/PROGRAMS | Program Revenues | | | | Net (Expense) |
|--------------------------------------|----------------------|-------------------------|---------------------|-------------------|--------------------|
| | Expenses | Charges for Services | Operating Grants | Capital Grants | Revenue and |
| | | | | | Change in |
| PRIMARY GOVERNMENT | Primary Governmental | | | | Net Assets |
| Governmental Activities | Governmental | | | | Activities |
| Administration | \$ 1,448,351 | \$ 29,235 | \$ - | \$ - | \$ (1,419,116) |
| Youth commission | 507,911 | 22,708 | 23,216 | - | (461,987) |
| Home relief | 82,897 | - | 15,279 | - | (67,618) |
| Highways and streets | 316,903 | 5,131 | - | - | (311,772) |
| Mental health | 545,328 | 11,150 | - | - | (534,178) |
| Senior center | 595,830 | 11,414 | 34,698 | 223,350 | (326,368) |
| Interest | 20,086 | - | - | - | (20,086) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 3,517,306 | \$ 79,638 | \$ 73,193 | \$ 223,350 | (3,141,125) |
| General Revenues | | | | | |
| Taxes | | | | | |
| Property taxes | | | | | 4,261,314 |
| Replacement taxes | | | | | 42,372 |
| Investment income | | | | | 54,915 |
| Miscellaneous | | | | | 4,940 |
| Total | | | | | 4,363,541 |
| CHANGE IN NET ASSETS | | | | | 1,222,416 |
| NET ASSETS, APRIL 1 | | | | | 8,928,294 |
| NET ASSETS, MARCH 31 | | | | | \$ 10,150,710 |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2005

| | General (Town) | Senior Services | Road and Bridge | Mental Health | Nonmajor Governmental | Total |
|--|---------------------|---------------------|---------------------|-------------------|--------------------------|---------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 1,940,739 | \$ 609,382 | \$ 1,865,179 | \$ 496,327 | \$ 680,246 | \$ 5,591,873 |
| Receivables (net) | | | | | | |
| Taxes | 1,310,693 | 400,895 | 339,499 | 378,365 | 236,429 | 2,665,881 |
| Intergovernmental | - | 162,070 | - | - | - | 162,070 |
| Prepaid items | 15,948 | - | 1,381 | 557 | - | 17,886 |
| TOTAL ASSETS | \$ 3,267,380 | \$ 1,172,347 | \$ 2,206,059 | \$ 875,249 | \$ 916,675 | \$ 8,437,710 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 73,067 | \$ 235,813 | \$ 22,449 | \$ 6,656 | \$ 8,113 | \$ 346,098 |
| Deferred revenues | 1,310,693 | 400,895 | 337,048 | 378,365 | 236,429 | 2,663,430 |
| Total liabilities | 1,383,760 | 636,708 | 359,497 | 385,021 | 244,542 | 3,009,528 |
| FUND BALANCES | | | | | | |
| Reserved for prepaid items | 15,948 | - | 1,381 | 557 | - | 17,886 |
| Reserved for senior services | - | 535,639 | - | - | - | 535,639 |
| Reserved for roads and bridges | - | - | 1,845,181 | - | - | 1,845,181 |
| Reserved for mental health | - | - | - | 489,671 | - | 489,671 |
| Reserved for general assistance | - | - | - | - | 382,971 | 382,971 |
| Reserved for retirement benefits | - | - | - | - | 163,169 | 163,169 |
| Unreserved | | | | | | |
| Designated for vehicle replacement | - | - | - | - | 119,500 | 119,500 |
| Undesignated - Special Revenue Funds | - | - | - | - | 6,493 | 6,493 |
| Undesignated - General Fund | 1,867,672 | - | - | - | - | 1,867,672 |
| Total fund balances | 1,883,620 | 535,639 | 1,846,562 | 490,228 | 672,133 | 5,428,182 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,267,380 | \$ 1,172,347 | \$ 2,206,059 | \$ 875,249 | \$ 916,675 | \$ 8,437,710 |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

March 31, 2005

| | |
|--|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 5,428,182 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 5,979,140 |
| Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in governmental funds | (1,112,083) |
| Accrued interest on long-term liabilities is shown as a liability on the statement of net assets | (2,595) |
| Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds | <u>(141,934)</u> |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 10,150,710</u> |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | General (Town) | Senior Services | Road and Bridge | Mental Health | Nonmajor Governmental | Total |
|--|---------------------|--------------------|---------------------|-------------------|--------------------------|---------------------|
| REVENUES | | | | | | |
| Taxes | \$ 2,110,235 | \$ 641,200 | \$ 555,402 | \$ 612,782 | \$ 384,068 | \$ 4,303,687 |
| Intergovernmental | - | 237,880 | - | - | - | 237,880 |
| Investment income | 15,904 | 3,043 | 22,299 | 2,334 | 11,335 | 54,915 |
| Miscellaneous | 74,684 | 27,235 | 5,615 | 11,150 | 24,556 | 143,240 |
| Total revenues | 2,200,823 | 909,358 | 583,316 | 626,266 | 419,959 | 4,739,722 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Administration | 1,001,732 | - | - | - | 341,436 | 1,343,168 |
| Youth commission | 516,054 | - | - | - | - | 516,054 |
| Home relief | - | - | - | - | 82,897 | 82,897 |
| Highways and streets | - | - | 425,967 | - | - | 425,967 |
| Mental health | - | - | - | 524,366 | - | 524,366 |
| Senior center | - | 499,584 | - | - | - | 499,584 |
| Capital outlay | 14,883 | 2,549,936 | 18,780 | 14,784 | 55,720 | 2,654,103 |
| Debt service - interest | 17,491 | - | - | - | - | 17,491 |
| Total expenditures | 1,550,160 | 3,049,520 | 444,747 | 539,150 | 480,053 | 6,063,630 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 650,663 | (2,140,162) | 138,569 | 87,116 | (60,094) | (1,323,908) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | 1,210,123 | - | 8,760 | 156,563 | 1,375,446 |
| Transfers (out) | (1,357,332) | - | - | - | (18,114) | (1,375,446) |
| Loan proceeds | 1,112,083 | - | - | - | - | 1,112,083 |
| Total other financing sources (uses) | (245,249) | 1,210,123 | - | 8,760 | 138,449 | 1,112,083 |
| NET CHANGE IN FUND BALANCES | 405,414 | (930,039) | 138,569 | 95,876 | 78,355 | (211,825) |
| FUND BALANCES, APRIL 1 | 1,622,067 | 1,169,528 | 1,699,835 | 390,202 | 593,778 | 5,475,410 |
| Prior period adjustment | (143,861) | 296,150 | 8,158 | 4,150 | - | 164,597 |
| FUND BALANCES, APRIL 1, RESTATED | 1,478,206 | 1,465,678 | 1,707,993 | 394,352 | 593,778 | 5,640,007 |
| FUND BALANCES, MARCH 31 | \$ 1,883,620 | \$ 535,639 | \$ 1,846,562 | \$ 490,228 | \$ 672,133 | \$ 5,428,182 |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, 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 March 31, 2005

| | |
|---|---------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (211,825) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures however, they are capitalized in the statement of activities | 2,773,955 |
| Depreciation expense does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | (211,465) |
| The issuance of long-term debt is shown as an other financing source in governmental funds, but as a liability on the statement of net assets | (1,112,083) |
| The increase in accrued interest on long-term debt is shown as an increase of expense on the statement of activities | (2,595) |
| The increase in the compensated absences liability is shown as an increase of expense on the statement of activities | <u>(13,571)</u> |
| CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 1,222,416</u> |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hanover Township, Bartlett Illinois (the Township) operates under the Township Act (60 ILCS) and the Revenue Code (35 ILCS) of the Illinois Compiled Statutes (ILCS). The Township provides the following services as authorized by its charter: youth services, senior and disabled services, mental health services including individual and family counseling, general assistance, property tax related matters and general administrative services.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental 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 Township's accounting policies are described below.

a. Reporting Entity

The Township is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Township (the primary government). There are no component units included in the Township's reporting entity.

b. Basis of Presentation - Fund Accounting

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

Governmental funds are used to account for all or most of the Township's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general (town) fund is used to account for all activities of the Township not accounted for in some other fund. The Township has no capital projects or debt service funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Township. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

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

The Senior Services Fund accounts for the revenues and expenditures needed to finance the construction of the senior services center as well as the services and programs in the area of senior services.

The Road and Bridge Fund accounts for the revenues and expenditures needed to finance the maintenance and construction of the Township's roads and bridges.

The Mental Health Fund accounts for the revenues and expenditures needed to finance the services and programs in the areas of mental health, developmental disabilities and alcohol and substance abuse.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred.

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

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

e. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$1,000 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 estimated fair market value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. 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:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 10-30 |
| Furniture and equipment | 7-20 |
| Infrastructure | 20 |

f. Compensated Absences

Vacation time is earned by employees of the Township based on length of employment and employee status. Any unused vacation time is paid to employees upon termination.

The Township allows for carryover of unused sick time, subject to maximum limits. Upon termination employees are paid for unused sick time at a nominal rate.

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

g. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/expenses.

i. Interfund Transactions

Interfund services are accounted for as revenues or expenditures/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.

j. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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.

2. DEPOSITS AND INVESTMENTS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type'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 Township's funds. Cash on hand of \$50 has been excluded from the amounts shown below.

Permitted Deposits and Investments - Statutes authorize the Township 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 or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

HANOVER TOWNSHIP
 BARTLETT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits

At year end, the carrying amount of the Township's deposits totaled \$5,591,823 and the bank balances totaled \$5,664,982.

| | <u>Bank Balances</u> |
|---|----------------------------|
| Category 1 Deposits covered by federal depository insurance, or by collateral held by the Township, or its agent, in the Township's name. | \$ 655,761 |
| Category 2 Deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the Township's name. | 4,157,053 |
| Category 3 Deposits covered by collateral held by the pledging financial institution, or its trust department, or its agent but not in the Township's name, and deposits which are uninsured and uncollateralized. | <u>852,168</u> |
| TOTAL DEPOSITS | <u><u>\$ 5,664,982</u></u> |

3. RECEIVABLES - TAXES

Property taxes for 2004 attach as an enforceable lien on January 1, 2004, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2005 and August 1, 2005 and are payable in two installments, on or about March 1, 2005, and September 1, 2005. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at .5% of the tax levy to reflect actual collection experience. Property tax receivable balances in the financial statements appear net of this allowance. 2004 levy taxes available as of March 31, 2005 were recognized as revenues because they were intended to finance fiscal year 2005.

The 2005 tax levy, which attached as an enforceable lien on property as of January 1, 2005, has not been recorded as a receivable as of March 31, 2005 as the tax has not yet been levied by the Township and will not be levied until December 2005, and, therefore, the levy is not measurable at March 31, 2005.

HANOVER TOWNSHIP
 BARTLETT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|-------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 633,541 | \$ - | \$ - | \$ 633,541 |
| Construction in progress | 889,397 | - | 889,397 | - |
| Total capital assets not being depreciated | 1,522,938 | - | 889,397 | 633,541 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 1,622,139 | 3,287,148 | - | 4,909,287 |
| Furniture and equipment | 849,780 | 237,738 | - | 1,087,518 |
| Infrastructure | - | 138,466 | - | 138,466 |
| Total capital assets being depreciated | 2,471,919 | 3,663,352 | - | 6,135,271 |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | 130,979 | 93,089 | - | 224,068 |
| Furniture and equipment | 447,228 | 115,347 | - | 562,575 |
| Infrastructure | - | 3,029 | - | 3,029 |
| Total accumulated depreciation | 578,207 | 211,465 | - | 789,672 |
| Total capital assets being depreciated, net | 1,893,712 | 3,451,887 | - | 5,345,599 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 3,416,650 | \$ 3,451,887 | \$ 889,397 | \$ 5,979,140 |

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

| | |
|--------------------------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| Administration | \$ 81,563 |
| Youth commission | 2,568 |
| Highways and streets | 42,403 |
| Mental health | 3,710 |
| Senior center | 81,221 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 211,465 |

HANOVER TOWNSHIP
 BARTLETT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. LONG-TERM DEBT

Long-term debt payable at March 31, 2005, is comprised of the following:

a. Loan Payable

A loan payable dated July 19, 2004 for \$1,112,083 was entered into for the construction of the Township's senior center building. The loan is to be repaid in entirety during fiscal year 2006 in one principal payment. In addition the Township is making monthly interest payments of \$2,595 with an interest rate of 2.80%. Debt service requirements to maturity on the loan is as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|--------------|
| 2006 | \$ 1,112,083 | \$ 15,569 | \$ 1,127,652 |

b. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in liabilities reported in the governmental long-term liabilities:

| | <u>Balances April 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balances March 31</u> | <u>Current Portion</u> |
|----------------------|-----------------------------|---------------------|-------------------|------------------------------|----------------------------|
| Loan payable | \$ - | \$ 1,112,083 | \$ - | \$ 1,112,083 | \$ 1,112,083 |
| Compensated absences | 128,363 | 45,662 | 32,091 | 141,934 | 35,483 |
| TOTAL | \$ 128,363 | \$ 1,157,745 | \$ 32,091 | \$ 1,254,017 | \$ 1,147,566 |

HANOVER TOWNSHIP
 BARTLETT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ACTIVITY

Transfers - Individual fund transfers are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| General (Town) | \$ - | \$ 1,357,332 |
| Senior Services | 1,210,123 | - |
| Mental Health | 8,760 | - |
| Nonmajor Governmental | 156,563 | 18,114 |
| | <u>\$ 1,375,446</u> | <u>\$ 1,375,446</u> |
| TOTAL | <u>\$ 1,375,446</u> | <u>\$ 1,375,446</u> |

The purposes of significant transfers are:

The Transfer of \$1,192,009 from the General (Town) fund to the Senior Services Fund was for the funding of the construction of the new senior center. This amount will not be repaid.

The Transfer of \$156,563 from the General (Town) fund to the Vehicle Replacement Fund was for the purchase of equipment. This amount will not be repaid.

The Transfer of \$18,114 from the Grant fund to the Senior Services fund was for the construction of the senior center. This amount will not be repaid.

8. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The Township's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

HANOVER TOWNSHIP
 BARTLETT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statutes.

Employees participating in the IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 10.56% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2004, the Township's annual pension cost of \$150,578 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 11.60% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The remaining amortization period at December 31, 2004 was 28 years.

Employer pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the Annual Pension Cost (APC) and the contributions actually made.

| Calendar Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (NPO) |
|---------------|---------------------------|-------------------------------|------------------------------|
| 2002 | \$ 116,018 | 100.00% | \$ - |
| 2003 | 127,502 | 100.00% | - |
| 2004 | 150,578 | 100.00% | - |

HANOVER TOWNSHIP
BARTLETT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RESTATEMENTS

Fund balances of the General (Town), Senior Services, Road and Bridge and Mental Health Funds were restated at April 1, 2004 by \$43,639, \$12,353, \$8,158 and \$4,150 respectively, to properly remove the compensated absences liability from the funds in accordance with GASB Interpretation 6. In addition fund balances of the General (Town) and Senior Services funds were restated at April 1, 2004 by (\$187,500) and \$283,797, respectively, due to incorrect grant revenue recognition in prior years.

REQUIRED SUPPLEMENTARY INFORMATION

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL (TOWN) FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|---------------------------------|------------------|
| REVENUES | | |
| Taxes | | |
| Property taxes | \$ 2,112,124 | \$ 2,095,604 |
| Replacement taxes | 13,500 | 14,631 |
| Investment income | 21,000 | 15,904 |
| Miscellaneous | | |
| Rental income | 12,500 | 10,000 |
| Office charges | 8,000 | - |
| Youth commission | 30,000 | 22,708 |
| Other income | 22,500 | 41,976 |
| Total revenues | 2,219,624 | 2,200,823 |
| EXPENDITURES | | |
| Current | | |
| Administration | | |
| Compensation of officers | 96,285 | 96,202 |
| Town officers, officer help, and expense | 340,564 | 348,693 |
| Assessors, office help, and expense | 118,210 | 94,666 |
| Astor avenue project | 143,506 | 14,433 |
| Clerk's department | 71,517 | 63,798 |
| Town hall expense | 88,800 | 93,722 |
| Legal | 38,000 | 44,223 |
| Audit | 12,000 | 3,675 |
| Officer's and employees' benefits | 250,800 | 226,275 |
| Veterans affairs | 16,214 | 16,045 |
| Youth Commission | | |
| Youth and family services | 546,407 | 516,054 |
| Capital outlay | 110,001 | 14,883 |
| Debt service - interest | - | 17,491 |
| Total expenditures | 1,832,304 | 1,550,160 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 387,320 | 650,663 |

(This schedule is continued on the following page.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL (TOWN) FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--------------------------------------|---------------------------------|---------------------|
| OTHER FINANCING SOURCES (USES) | | |
| Transfers (out) | \$ (1,160,760) | \$ (1,357,332) |
| Loan proceeds | 1,200,000 | 1,112,083 |
| Total other financing sources (uses) | <u>39,240</u> | <u>(245,249)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 426,560</u> | <u>405,414</u> |
| FUND BALANCE, APRIL 1 | | 1,622,067 |
| Prior period adjustment | | <u>(143,861)</u> |
| FUND BALANCE, APRIL 1, RESTATED | | <u>1,478,206</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 1,883,620</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|---------------------------------|--------------------|
| REVENUES | | |
| Taxes | \$ 649,883 | \$ 641,200 |
| Intergovernmental | 421,512 | 237,880 |
| Investment income | 2,000 | 3,043 |
| Miscellaneous | 4,000 | 27,235 |
| Total revenues | <u>1,077,395</u> | <u>909,358</u> |
| EXPENDITURES | | |
| Senior center | | |
| Administration | 569,134 | 416,866 |
| Social services | 30,168 | 34,204 |
| Transportation | 50,581 | 48,514 |
| Total senior center | <u>649,883</u> | <u>499,584</u> |
| Capital outlay | <u>2,957,480</u> | <u>2,549,936</u> |
| Total expenditures | <u>3,607,363</u> | <u>3,049,520</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(2,529,968)</u> | <u>(2,140,162)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | <u>1,150,000</u> | <u>1,210,123</u> |
| Total other financing sources (uses) | <u>1,150,000</u> | <u>1,210,123</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,379,968)</u> | <u>(930,039)</u> |
| FUND BALANCE, APRIL 1 | | 1,169,528 |
| Prior period adjustment | | <u>296,150</u> |
| FUND BALANCE, APRIL 1, RESTATED | | <u>1,465,678</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 535,639</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--------------------------------------|---------------------------------|---------------------|
| REVENUES | | |
| Taxes | \$ 562,476 | \$ 555,402 |
| Investment income | 13,000 | 22,299 |
| Miscellaneous | 1,500 | 5,615 |
| Total revenues | <u>576,976</u> | <u>583,316</u> |
| EXPENDITURES | | |
| Highway and street maintenance | | |
| Maintenance of roads | 549,359 | 347,558 |
| Administration | 73,958 | 78,409 |
| Total highway and street maintenance | <u>623,317</u> | <u>425,967</u> |
| Capital outlay | <u>142,620</u> | <u>18,780</u> |
| Total expenditures | <u>765,937</u> | <u>444,747</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (188,961)</u> | <u>138,569</u> |
| FUND BALANCE, APRIL 1 | | 1,699,835 |
| Prior period adjustment | | <u>8,158</u> |
| FUND BALANCE, APRIL 1, RESTATED | | <u>1,707,993</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 1,846,562</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|---------------------------------|-------------------|
| REVENUES | | |
| Taxes | \$ 619,276 | \$ 612,782 |
| Investment income | 2,000 | 2,334 |
| Miscellaneous | | |
| Rental | 11,400 | 11,150 |
| Total revenues | <u>632,676</u> | <u>626,266</u> |
| EXPENDITURES | | |
| Mental health | | |
| Service contracts/grants by agency | 425,010 | 414,360 |
| Administration planning and development | 97,917 | 86,489 |
| Building occupancy expenses | 35,750 | 23,517 |
| Total mental health | <u>558,677</u> | <u>524,366</u> |
| Capital outlay | | |
| Building improvements | 20,000 | 14,784 |
| Total capital outlay | <u>20,000</u> | <u>14,784</u> |
| Total expenditures | <u>578,677</u> | <u>539,150</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>53,999</u> | <u>87,116</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 8,760 | 8,760 |
| Total other financing sources (uses) | <u>8,760</u> | <u>8,760</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 62,759</u> | <u>95,876</u> |
| FUND BALANCE, APRIL 1 | | 390,202 |
| Prior period adjustment | | <u>4,150</u> |
| FUND BALANCE, APRIL 1, RESTATED | | <u>394,352</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 490,228</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

March 31, 2005

| Actuarial Valuation Date December 31 | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) / (2) | (4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1) | (5) Annual Covered Payroll | (6) UAAL As a Percentage of Covered Payroll (4) / (5) |
|---|---|--|-------------------------------------|---|-------------------------------------|---|
| 1999 | \$ 1,309,838 | \$ 1,624,560 | 80.63% | \$ 314,722 | \$ 1,060,921 | 29.66% |
| 2000 | 1,643,500 | 1,884,289 | 87.22% | 240,789 | 1,139,812 | 21.13% |
| 2001 | 1,923,674 | 2,160,392 | 89.04% | 236,718 | 1,195,462 | 19.80% |
| 2002 | 1,933,627 | 2,289,279 | 84.46% | 355,652 | 1,182,651 | 30.07% |
| 2003 | 1,941,528 | 2,185,525 | 88.84% | 243,997 | 1,287,899 | 18.95% |
| 2004 | 1,756,568 | 2,125,249 | 82.65% | 368,681 | 1,428,767 | 25.80% |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

March 31, 2005

| <u>Actuarial Valuation Date December 31</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|---|-----------------------------------|---|-----------------------------------|
| 1999 | \$ 110,229 | \$ 110,229 | 100.00% |
| 2000 | 111,474 | 111,474 | 100.00% |
| 2001 | 120,861 | 120,861 | 100.00% |
| 2002 | 116,018 | 116,018 | 100.00% |
| 2003 | 127,502 | 127,502 | 100.00% |
| 2004 | 150,878 | 150,878 | 100.00% |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2005

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

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

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

The budget may be amended by the governing body.

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

During the current year, a budget was not adopted for the following fund:

Special Revenue Funds
Grant Fund

The source of revenue and nature of expenditures for this fund is not subject to prediction, and therefore, a budget was not adopted.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL (TOWN) FUND

For the Year Ended March 31, 2005

| | Original and Final | |
|--|-----------------------|-----------|
| | Budget | Actual |
| CURRENT | | |
| ADMINISTRATION | | |
| COMPENSATION OF OFFICERS | \$ 96,285 | \$ 96,202 |
| TOWN OFFICER, OFFICE HELP, AND EXPENSE | | |
| Postage | 3,400 | 6,251 |
| Office and general supplies | 5,500 | 6,640 |
| Printing | 1,500 | 2,294 |
| Salaries | 267,457 | 272,056 |
| Travel expenses | 2,500 | 2,832 |
| Dues and other | 4,500 | 4,465 |
| Pre employment charges | 500 | 547 |
| Education and training | 4,000 | 2,045 |
| Consulting | 5,000 | 1,623 |
| Financial administration | 5,000 | 4,093 |
| Community affairs | 35,000 | 37,996 |
| Pace bus expense | 2,500 | - |
| Attorney general | 707 | 1,189 |
| Other | 3,000 | 6,662 |
| Total town officer, office help, and expense | 340,564 | 348,693 |
| ASSESSORS, OFFICE HELP, AND EXPENSE | | |
| Office supplies | 5,726 | 1,413 |
| Printing | 1,164 | 552 |
| Office help, payroll and related | 88,320 | 82,843 |
| Equipment purchase | 2,999 | 2,445 |
| Travel expense | 2,630 | 1,310 |
| Dues and other | 3,024 | 2,743 |
| Training | 2,164 | 230 |
| Building and permanent improvements | 1,083 | - |
| Professional services | 1,083 | - |
| Newsletter | 87 | - |
| Equipment maintenance and rental | 9,930 | 3,130 |
| Total assessors, office help, and expense | 118,210 | 94,666 |
| ASTOR AVENUE PROJECT | | |
| Salaries | 84,000 | 381 |
| Staff education/training | 1,000 | - |
| Travel expense | 1,500 | 35 |
| After school monitoring | 1,000 | - |
| Supplies | 5,000 | 965 |
| Telephone | 2,000 | 298 |
| Utilities | 10,000 | 4,797 |

(This schedule is continued on the following pages.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL (TOWN) FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|---|---------------------------------|---------|
| CURRENT (Continued) | | |
| ADMINISTRATION (Continued) | | |
| ASTOR AVENUE PROJECT (Continued) | | |
| Cleaning service | \$ 5,250 | \$ - |
| Consultants | 500 | - |
| Equipment/furniture | 10,000 | 3,863 |
| Building maintenance | 10,000 | 844 |
| Capital expenditures | 1 | - |
| Professional services | 13,255 | 3,250 |
| Total Astor Avenue project | 143,506 | 14,433 |
| CLERK'S DEPARTMENT | | |
| Salaries | 58,792 | 49,194 |
| Postage | 500 | 166 |
| Office supplies | 750 | 1,134 |
| Printing | 1,750 | 3,689 |
| Travel expense | 725 | 216 |
| Dues, subscription, and publications | 400 | 685 |
| Community affairs | 1,000 | 1,762 |
| Equipment maintenance and rental | 1,600 | 1,740 |
| Furniture and computer equipment | 5,000 | 4,090 |
| Other | 1,000 | 1,122 |
| Total clerk's department | 71,517 | 63,798 |
| TOWNHALL EXPENSE | | |
| Telephone | 18,000 | 20,463 |
| Utilities | 25,000 | 28,490 |
| High speed internet | 2,600 | 2,527 |
| Equipment rental | 3,200 | 4,009 |
| Equipment maintenance | 16,000 | 13,321 |
| Home delivered meals | 3,000 | 3,911 |
| Janitorial | 4,000 | 4,009 |
| Building maintenance | 16,000 | 15,654 |
| Vehicle maintenance | 1,000 | 1,338 |
| Total townhall expense | 88,800 | 93,722 |
| LEGAL | 38,000 | 44,223 |
| AUDIT | 12,000 | 3,675 |
| INSURANCE AND EMPLOYEES' BENEFITS | | |
| Hospitalization, medical, life and dental | 231,000 | 198,713 |
| Unemployment compensation | 19,000 | 26,465 |
| Flex plan | 800 | 1,097 |
| Total insurance and employees' benefits | 250,800 | 226,275 |

(This schedule is continued on the following page.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL (TOWN) FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|----------------------------------|---------------------------------|---------------------|
| CURRENT (Continued) | | |
| ADMINISTRATION (Continued) | | |
| VETERANS' AFFAIRS | | |
| Salaries | \$ 15,914 | \$ 15,913 |
| Travel expense | 100 | 52 |
| Consulting | 200 | 80 |
| Total veterans' affairs | <u>16,214</u> | <u>16,045</u> |
| Total administration | <u>1,175,896</u> | <u>1,001,732</u> |
| YOUTH COMMISSION | | |
| YOUTH AND FAMILY SERVICES | | |
| Salaries | 454,703 | 435,207 |
| Services | 12,500 | 10,288 |
| Staff expenses/travel | 3,500 | 2,702 |
| Education and training | 5,000 | 3,364 |
| Consulting | 3,000 | 2,250 |
| Answering service | 1,200 | 1,200 |
| Printing | 1,500 | 1,485 |
| Postage | 1,600 | 114 |
| Books and journals | 450 | 404 |
| Equipment maintenance | 1,000 | 1,634 |
| Psychiatric services | 22,500 | 20,093 |
| Tutoring | 12,454 | 10,755 |
| Insurance | 2,500 | 1,878 |
| Furniture | 4,500 | 9,573 |
| Open gym program | 20,000 | 15,107 |
| Total youth and family services | <u>546,407</u> | <u>516,054</u> |
| Total youth commission | <u>546,407</u> | <u>516,054</u> |
| CAPITAL OUTLAY | | |
| Building and capital improvement | 50,000 | - |
| Equipment | 50,000 | 5,361 |
| Computer equipment | 10,000 | 9,522 |
| Other | 1 | - |
| Total capital outlay | <u>110,001</u> | <u>14,883</u> |
| DEBT SERVICE | | |
| Interest expense | - | 17,491 |
| Total debt service | <u>-</u> | <u>17,491</u> |
| TOTAL EXPENDITURES | <u>\$ 1,832,304</u> | <u>\$ 1,550,160</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
SENIOR SERVICES FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|---------------------------------|---------------------|
| Senior center | | |
| Administration | | |
| Salaries | \$ 474,789 | \$ 391,122 |
| Recruitment | 1,000 | 909 |
| Equipment purchase and rental | 20,000 | 5,596 |
| Postage | 6,695 | 7,501 |
| Dues and subscriptions | 515 | 1,267 |
| Travel and seminars | 5,635 | 3,370 |
| Utilities | 48,000 | 6,754 |
| Janitorial services | 5,000 | - |
| Building maintenance | 7,500 | 347 |
| Total administration | <u>569,134</u> | <u>416,866</u> |
| Social services | | |
| Programming | 9,942 | 16,422 |
| Outreach services | 2,616 | 1,968 |
| Volunteer services | 6,280 | 4,388 |
| Club 59 | 11,330 | 11,426 |
| Total social services | <u>30,168</u> | <u>34,204</u> |
| Transportation | | |
| Emergency maintenance fund | 12,709 | - |
| Transportation and vehicle maintenance | 37,872 | 48,514 |
| Total transportation | <u>50,581</u> | <u>48,514</u> |
| Total senior center | <u>649,883</u> | <u>499,584</u> |
| Capital outlay | | |
| Capital equipment | 57,480 | 1,229 |
| Architecture | 70,000 | 48,524 |
| Engineering | 20,000 | - |
| Consulting | 10,000 | 500 |
| Building construction | 2,400,000 | 2,329,528 |
| Building improvements | 400,000 | 170,155 |
| Total capital outlay | <u>2,957,480</u> | <u>2,549,936</u> |
| TOTAL EXPENDITURES | <u>\$ 3,607,363</u> | <u>\$ 3,049,520</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--------------------------------------|---------------------------------|--------------------------|
| Highway and street maintenance | | |
| Maintenance of roads | | |
| Contract work | \$ 311,661 | \$ 166,084 |
| Labor, road district force | 128,500 | 112,673 |
| Salt for roads | 15,000 | 22,222 |
| Material | 5,080 | 2,166 |
| Gas and oil | 12,000 | 8,793 |
| Equipment repairs | 7,000 | 3,437 |
| Engineering | 30,000 | 17,017 |
| Street lighting | 8,000 | 7,891 |
| Bridge maintenance | 27,618 | - |
| Signs, striping, and tree removal | 3,000 | 6,835 |
| Controlled substance testing | 1,500 | 440 |
| Total maintenance of roads | <u>549,359</u> | <u>347,558</u> |
| Administration | | |
| Insurance | 38,000 | 40,977 |
| Employee benefits | | |
| FICA | 8,000 | 8,607 |
| IMRF | 12,000 | 11,905 |
| Unemployment compensation | 508 | 368 |
| Auditing | 2,500 | 3,000 |
| Legal | 2,000 | 4,100 |
| Utilities | 4,000 | 6,021 |
| Miscellaneous | 800 | - |
| Travel | 1,000 | 35 |
| Uniforms and safety equipment | 200 | 441 |
| Dues, subscriptions, and training | 600 | 956 |
| Office supplies | 200 | 287 |
| Printing | 150 | - |
| Telephone | 4,000 | 1,712 |
| Total administration | <u>73,958</u> | <u>78,409</u> |
| Total highway and street maintenance | <u>623,317</u> | <u>425,967</u> |
| Capital outlay | | |
| Road division - machine rental | 4,000 | 1,876 |
| Equipment purchase | 114,580 | 1,842 |
| Maintenance - vehicles and equipment | 15,000 | 15,062 |
| Construction equipment | 2,540 | - |
| Building maintenance | 6,500 | - |
| Total capital outlay | <u>142,620</u> | <u>18,780</u> |
| TOTAL EXPENDITURES | <u><u>\$ 765,937</u></u> | <u><u>\$ 444,747</u></u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
MENTAL HEALTH FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|---------------------------------|-----------|
| MENTAL HEALTH | | |
| Service contracts/grants by agency | | |
| Association for Individual Development | \$ 43,500 | \$ 43,500 |
| Renz Addiction Counseling Center | 34,000 | 34,250 |
| Jayne Shover Easter Seal Center | 53,000 | 52,750 |
| The Bridge | 13,000 | 13,000 |
| Senior Services Association | 17,000 | 17,000 |
| Children's Advocacy Center | 33,500 | 33,500 |
| Hanover Township Youth Services | 20,000 | 20,000 |
| Community Education | 3,000 | 1,950 |
| Contract Support Services | 23,000 | 19,028 |
| Community Crisis Center | 37,750 | 37,750 |
| N.W. Action Against Rape | 8,000 | 8,000 |
| Pace, Transportation | 15,000 | 18,772 |
| Parent's Anonymous | 13,500 | 13,500 |
| Kane Kendall | 5,000 | 5,000 |
| Centro | 24,260 | 24,260 |
| Open Door Clinic | 1,000 | 1,000 |
| Clearbrook | 5,000 | 5,000 |
| Ecker Mental Health Center | 53,000 | 53,010 |
| LSSI | 5,500 | 2,880 |
| Epilepsy Foundation | 1,000 | 750 |
| Larkin Center | 1,500 | 1,125 |
| Summit Center | 1,500 | 1,500 |
| Tide project | 13,000 | 6,835 |
| | <hr/> | <hr/> |
| Total service contracts/grants by agency | 425,010 | 414,360 |
| | | |
| Administration planning and development | | |
| Township services | 8,000 | 1,590 |
| Legal | 2,000 | 1,598 |
| Travel and conference | 3,000 | 3,697 |
| Auditing | 250 | - |
| Dues and subscriptions | 3,120 | 3,304 |

(This schedule is continued on the following page.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
MENTAL HEALTH FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|---|---------------------------------|-------------------|
| MENTAL HEALTH (Continued) | | |
| Administration planning and development (Continued) | | |
| Salaries | \$ 55,697 | \$ 55,697 |
| Employee benefits | 10,500 | 5,727 |
| Supplies and printing | 1,000 | 1,282 |
| Postage | 1,000 | 55 |
| Equipment maintenance | 1,500 | 1,516 |
| Unemployment compensation | 550 | 550 |
| IMRF | 5,500 | 5,788 |
| FICA | 4,300 | 4,192 |
| Other | 1,500 | 1,493 |
| Total administrative planning and development | <u>97,917</u> | <u>86,489</u> |
| Building occupancy expenses | | |
| Utilities | 13,500 | 8,127 |
| Insurance | 1,000 | - |
| Maintenance | 4,500 | 1,617 |
| Janitorial | 6,000 | 4,711 |
| Rent | 10,000 | 10,000 |
| Agency support services | 750 | (938) |
| Total building occupancy expenses | <u>35,750</u> | <u>23,517</u> |
| CAPITAL OUTLAY | | |
| Building improvements | <u>20,000</u> | <u>14,784</u> |
| Total capital outlay | <u>20,000</u> | <u>14,784</u> |
| TOTAL EXPENDITURES | <u>\$ 578,677</u> | <u>\$ 539,150</u> |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2005

| | Special Revenue | | | | Total |
|---|--------------------|-------------------|-----------------|---------------------|-------------------|
| | General Assistance | Retirement | Grant | Vehicle Replacement | |
| ASSETS | | | | | |
| Cash and investments | \$ 385,134 | \$ 169,119 | \$ 6,493 | \$ 119,500 | \$ 680,246 |
| Receivables | | | | | |
| Property taxes | 113,485 | 122,944 | - | - | 236,429 |
| TOTAL ASSETS | \$ 498,619 | \$ 292,063 | \$ 6,493 | \$ 119,500 | \$ 916,675 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 2,163 | \$ 5,950 | \$ - | \$ - | \$ 8,113 |
| Deferred revenues | 113,485 | 122,944 | - | - | 236,429 |
| Total liabilities | 115,648 | 128,894 | - | - | 244,542 |
| FUND BALANCES | | | | | |
| Reserved for general assistance | 382,971 | - | - | - | 382,971 |
| Reserved for retirement benefits | - | 163,169 | - | - | 163,169 |
| Unreserved - designated for vehicle replacement | - | - | - | 119,500 | 119,500 |
| Unreserved - special revenue | - | - | 6,493 | - | 6,493 |
| Total fund balances | 382,971 | 163,169 | 6,493 | 119,500 | 672,133 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 498,619 | \$ 292,063 | \$ 6,493 | \$ 119,500 | \$ 916,675 |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Special Revenue | | | | Total |
|--|--------------------|------------|----------|---------------------|------------|
| | General Assistance | Retirement | Grant | Vehicle Replacement | |
| REVENUES | | | | | |
| Taxes | \$ 187,515 | \$ 196,553 | \$ - | \$ - | \$ 384,068 |
| Investment income | 4,226 | 5,689 | - | 1,420 | 11,335 |
| Miscellaneous | 15,279 | - | - | 9,277 | 24,556 |
| Total revenues | 207,020 | 202,242 | - | 10,697 | 419,959 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Administration | 109,605 | 231,831 | - | - | 341,436 |
| Home relief | 82,897 | - | - | - | 82,897 |
| Capital outlay | - | - | - | 55,720 | 55,720 |
| Total expenditures | 192,502 | 231,831 | - | 55,720 | 480,053 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 14,518 | (29,589) | - | (45,023) | (60,094) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 156,563 | 156,563 |
| Transfers (out) | - | - | (18,114) | - | (18,114) |
| Total other financing sources (uses) | - | - | (18,114) | 156,563 | 138,449 |
| NET CHANGES IN FUND BALANCES | 14,518 | (29,589) | (18,114) | 111,540 | 78,355 |
| FUND BALANCES, APRIL 1 | 368,453 | 192,758 | 24,607 | 7,960 | 593,778 |
| FUND BALANCES, MARCH 31 | \$ 382,971 | \$ 163,169 | \$ 6,493 | \$ 119,500 | \$ 672,133 |

See accompanying notes to financial statements.

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|------------------------------|------------------------------------|----------------|
| REVENUES | | |
| Taxes | \$ 179,499 | \$ 187,515 |
| Investment income | 3,500 | 4,226 |
| Miscellaneous | 20,000 | 15,279 |
| Total revenues | <u>202,999</u> | <u>207,020</u> |
| EXPENDITURES | | |
| Administration | | |
| Salaries | 82,500 | 74,953 |
| Office supplies | 800 | 421 |
| Equipment, minor, and rental | 1,500 | 2,561 |
| Travel | 2,000 | 2,784 |
| Janitor | 2,000 | - |
| Utilities | 2,000 | 905 |
| Equipment maintenance | 200 | 248 |
| Printing | 250 | 311 |
| Hearing, appeals, and other | 50 | - |
| Dues | 50 | 90 |
| Bank charges | 200 | 1,359 |
| Special needs | - | 9,465 |
| Pantry | - | 3,339 |
| Unemployment compensation | 825 | 825 |
| Professional services | 2,500 | 3,174 |
| IMRF | 8,712 | 5,175 |
| FICA | 6,311 | 3,995 |
| Total administration | <u>109,898</u> | <u>109,605</u> |

(This schedule is continued on the following page.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL ASSISTANCE FUND

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|----------------------------|------------------------------------|-------------------|
| EXPENDITURES (Continued) | | |
| Home relief | | |
| Food and household | \$ 2,250 | \$ - |
| Rent | 60,000 | 55,513 |
| Utilities | 10,000 | 4,455 |
| Clothing | 1,200 | 190 |
| Travel | 2,250 | 551 |
| Hospital | 4,000 | 5,103 |
| Burial | 500 | 250 |
| Insurance | 59,631 | 6,199 |
| Emergency assistance | 6,500 | 8,995 |
| Other | 1,500 | 1,641 |
| | <u>147,831</u> | <u>82,897</u> |
| Total home relief | | |
| | <u>257,729</u> | <u>192,502</u> |
| | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (54,730)</u> | 14,518 |
| | | |
| FUND BALANCE, APRIL 1 | | <u>368,453</u> |
| | | |
| FUND BALANCE, MARCH 31 | | <u>\$ 382,971</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|----------------------------|------------------------------------|-------------------|
| <hr/> | | |
| REVENUES | | |
| Taxes | | |
| Property taxes | \$ 197,859 | \$ 196,553 |
| Investment income | 3,000 | 5,689 |
| | <hr/> | |
| Total revenues | 200,859 | 202,242 |
| | <hr/> | |
| EXPENDITURES | | |
| Administration | | |
| IMRF | 148,431 | 127,060 |
| FICA | 111,404 | 104,771 |
| | <hr/> | |
| Total expenditures | 259,835 | 231,831 |
| | <hr/> | |
| NET CHANGE IN FUND BALANCE | <u>\$ (58,976)</u> | (29,589) |
| FUND BALANCE, APRIL 1 | | <u>192,758</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 163,169</u> |

(See independent auditor's report.)

HANOVER TOWNSHIP
BARTLETT, ILLINOIS

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

For the Year Ended March 31, 2005

| | Original and Final Budget | Actual |
|--|------------------------------------|-------------------|
| <hr/> | | |
| REVENUES | | |
| Investment income | \$ 660 | \$ 1,420 |
| Miscellaneous | | |
| Bus fares | 7,500 | 9,277 |
| | <hr/> | |
| Total revenues | 8,160 | 10,697 |
| | <hr/> | |
| EXPENDITURES | | |
| Capital outlay | 60,000 | 55,720 |
| | <hr/> | |
| Total expenditures | 60,000 | 55,720 |
| | <hr/> | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (51,840) | (45,023) |
| | <hr/> | |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 57,207 | 156,563 |
| | <hr/> | |
| Total other financing sources (uses) | 57,207 | 156,563 |
| | <hr/> | |
| NET CHANGE IN FUND BALANCE | <u>\$ 5,367</u> | 111,540 |
| FUND BALANCE, APRIL 1 | | <u>7,960</u> |
| FUND BALANCE, MARCH 31 | | <u>\$ 119,500</u> |

(See independent auditor's report.)