

**Hanover Township
Financial Statement and
Independent Auditor's Report
For the Year Ended March 31, 2007**

Hanover Township
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For the Year Ended March 31, 2007

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Hanover Township
Bartlett, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hanover Township as of and for the year ended March 31, 2007 which collectively comprise the Township's financial statements, as listed in the table of contents. These financial statements are the responsibility of Hanover Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hanover Township as of March 31, 2007, and the results of operations for the year then ended in conformity with accounting principles accepted in the United States of America.

The management's discussion and analysis is not a required part of the 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise Hanover Township's basic financial statements. The combining and individual fund financial schedules for the year ended March 31, 2007 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended March 31, 2007 and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 03, 2007

HANOVER TOWNSHIP

Management Discussion & Analysis

Introduction

Hanover Township's management and discussion analysis (MD&A) provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007. The MD&A should be read as a narrative introduction to the financial statements that follow. The purpose of this report is to assist the reader in focusing on significant accounting issues, provide an overview of the Township's financial activity, identify changes in the Township's financial position, identify any material deviations from the approved budget and identify individual fund issues or concerns.

The MD&A is an element of the new reporting model accepted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative data between the current and prior years is required to be presented in the MD&A.

Financial Highlights

- The Township's total assets exceeded its total liabilities at the end of the most recent fiscal year by \$15,115,708. The Township's total net assets increased \$1,193,667 or 8.57% over the previous year.
- Property Taxes levied and collected were \$4,866,508 compared to the prior year of \$4,420,519 for an increase of \$445,989.
- At March 31, 2007, the Township's governmental funds reported combined ending fund balances of \$5,879,217 an increase of \$822,767 from the prior year. This increase is largely due to an increase in property tax revenue, interest income as well as the receipt of a CDBG grant.
- The Township's outstanding long-term debt for compensated absences decreased by \$30,885 to total \$173,531 as of March 31, 2007.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements and notes to the financials. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances. The two new government-wide financial statements, Statement of Net Assets and Statement of Activities represent an overview of the Township as a whole, separating its operations between governmental and business-type activities. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

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

The *Statement of Activities* presents changes in the Township's net assets during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and intergovernmental revenues, such as grants, from business type activities that are intended to recover all or significant portion of their costs through user fees and charges. Governmental activities include general government, youth services, senior and disability services, mental health services including individual & family counseling, general assistance, and property tax related matters. Business-type activities reflect the Township's private sector operations, where the fees for services typically cover all or most of the cost of operation including depreciation are none. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund Township programs.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

A Township has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Township's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major special revenue funds. Budgetary comparison schedules for other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Township's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 14 through 16 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Township charges customers a fee. There are two types of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the governmental-wide statements. Services are provided to customers external to the Township organization. Internal service funds provide services to customers within the Township's organization. The Township does **not** use proprietary or internal service funds at this time.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its employees. Other supplementary information includes detail by fund for receivables, payables, transfers and payments within the reporting entity. Supplementary information can be found on pages 30 through 33 of this report.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 34.

Government-wide Financial Analysis

This Township implemented the new financial reporting model used in this report beginning with the fiscal year ended March 31, 2005. Over time as year-to-year financial information accumulated on a consistent basis, changes in net assets may be observed and used to discuss changing financial position of the Township as a whole.

Statement of Net Assets

As noted earlier, the Township's total net assets increased \$1,193,667 or 8.57% over the previous year to \$15,115,708 .

HANOVER TOWNSHIP
Statement of Net Assets
For the Year Ending March 31, 2007

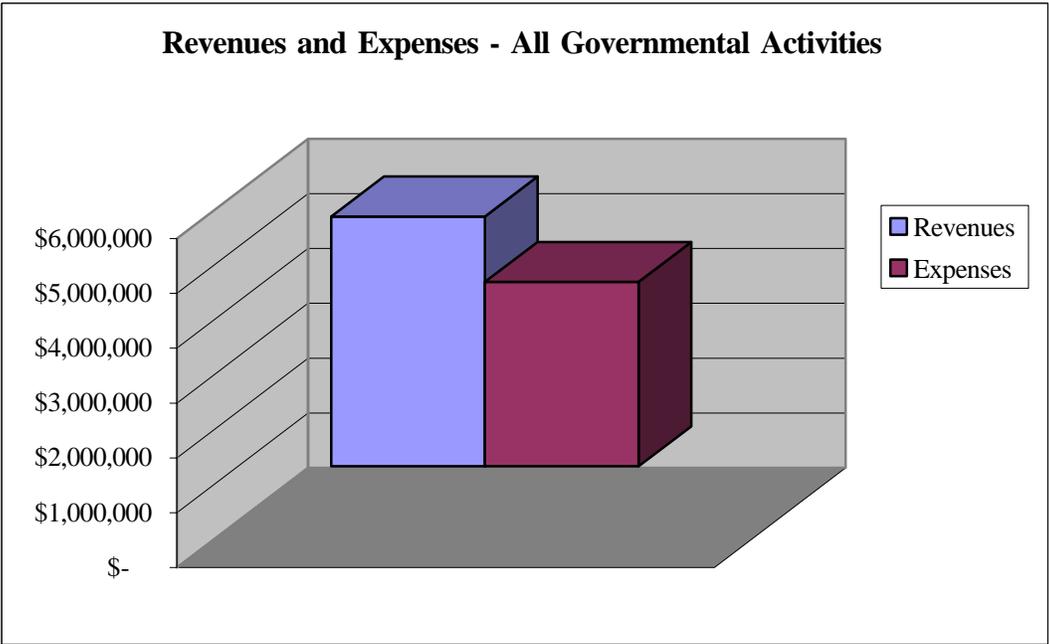
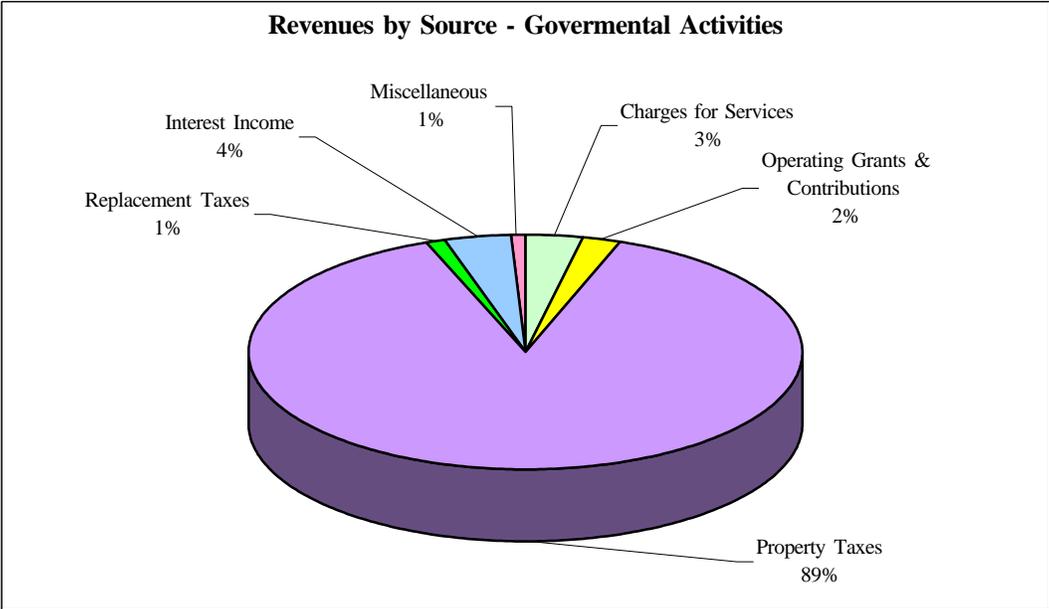
	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 9,457,284	\$ 8,234,030
Capital Assets	6,040,260	6,024,673
Total Assets	<u>15,497,544</u>	<u>14,258,703</u>
Current and Other Liabilities	251,688	183,350
Long-Term Liabilities	130,148	153,312
Total Liabilities	<u>381,836</u>	<u>336,662</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	6,040,260	6,024,673
Unrestricted Net Assets	9,075,448	7,897,368
	<u>\$ 15,115,708</u>	<u>\$ 13,922,041</u>

Statement of Activities

The Township's total governmental activity net assets increased \$1,193,667 or 8.57% over the previous year to \$15,115,708.

HANOVER TOWNSHIP
Statement of Activities
For the Year Ending March 31, 2007

Revenues	2007	2006
Program Revenues		
Charges for Services	\$ 202,380	\$ 144,590
Operating Grants & Contributions	128,886	32,696
General Revenues		
Property Taxes	5,190,936	4,802,422
Replacement Taxes	61,481	56,370
Interest Income	219,861	120,075
Miscellaneous	54,665	46,803
Total Revenue	<u>\$ 5,858,209</u>	<u>\$ 5,202,956</u>
Expenses		
Governmental Activities		
Township Services	4,664,542	4,067,442
Interest on Long-Term Debt	-	15,491
Total Expense	<u>4,664,542</u>	<u>4,082,933</u>
Special Item		
Loss on Disposal of Capital Assets	<u>-</u>	<u>-</u>
Increase in Net Assets	\$ 1,193,667	\$ 1,120,023
Net Assets - Beginning of Year	<u>13,922,041</u>	<u>12,802,018</u>
Net Assets - End of the Year	<u>\$ 15,115,708</u>	<u>\$ 13,922,041</u>



Governmental Activities

As stated previously, Governmental Activities increased the Township's net assets by \$1,193,667. Key elements of the entity-wide performance are as follows:

- The total revenues increased by \$712,728 or 14.78% from \$4,821,053 in fiscal year 2006 to \$5,533,781 in fiscal year 2007.
- Property tax revenue and interest income increased 10.09% and 83% respectively from the prior fiscal year provided by the adjustment of tax deferrals and economic factors.
- Grant revenues increased from \$18,450 from the prior fiscal year, to \$120,281, provided by CDBG grants for vehicles and general assistance programs.
- The total expenditures decreased by \$469,648 or 9.07% from \$5,180,662 in fiscal year 2006 to \$4,711,014 in fiscal year 2007. This decrease is attributed to the payments of principal and interest from the completion of the Senior Center in the prior fiscal year, although normal operating costs such as salaries, utilities and maintenance increased as anticipated.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$5,879,217. All of these funds are unreserved and undesignated, indicating the availability for continuing the Township's operations.

The total ending fund balance of governmental funds shows an increase of \$822,767 from the prior fiscal year. This increase is primarily the result of financial information described in the analysis of the Township's governmental activities.

Major Governmental Funds

The General, Senior Services, Road & Bridge and Mental Health funds are the primary funds of the Township.

The General Fund's net change in fund balance as of March 31, 2007 was \$260,793, an increase of \$1,197,592 from the prior year surplus. This increase was due to an increase in property tax revenue, interest income, replacement taxes, therapy and passport fees as well as a decrease in expenditures from the completion of the senior center in the prior fiscal year.

The Senior Services Fund net change in fund balance was \$14,992. This was the first full year of operations for the newly constructed Senior Center.

The Road & Bridge Fund net change in fund balance was \$421,075, an increase of \$107,336 over the prior fiscal year. This increase was mainly due to an increase in property tax revenues along with the decrease in current road project expenditures.

The Mental Health Fund net change in fund balance was \$133,560, an increase of \$66,245 over the prior fiscal year. This increase was mainly due to an increase in property tax revenues.

General Fund Budgetary Highlights

During the 2007 Budget year, the Township did not revise the annual operating budget.

The Town fund is reported as a major fund, and accounts for Township service operations as outlined on page 34 thru 37.

Revenues in the Town fund were \$2,610,603, which were over budget by \$114,899 or 4.6%. Expenditures were \$2,291,727, which were \$174,274 or 7.07% under budget. The overall net budget variance in the General Fund was a favorable \$289,453.

The Town fund's net change in fund balance was \$260,793. The fund balance increased to \$1,209,443 at the end of the fiscal year from \$948,650 the prior year.

Capital Asset

The Township's investment in capital assets, net of accumulated depreciation for governmental -type activities as of March 31, 2007 was \$6,040,260. Capital additions were noted for the following categories: building improvements, office furniture and equipment , trucks and buses.

Debt Administration

As of March 31, 2007, the Township had no general obligation bond issues outstanding.

Initiatives

In November 2002, Hanover Township passed a referendum to increase its property tax for the purpose of supporting senior services. This levy made possible the construction and support of our community Senior Center. These funds then contributed to the aforementioned revenues listed in the analysis above.

Factors Bearing on the Township's Future

At the time these financial statements were prepared and audited, the Township was not aware of any existing circumstances that would adversely affect its financial health in the near future.

Contacting the Township's Financial Management

This financial report is designed to provide a general overview of the Township's finances, comply with finance related laws and regulations and demonstrate the Township's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact James Barr, Township Administrator or Lee Howard, Financial Consultant, 250 South Route 59, Bartlett, IL 60103.

Hanover Township
Statement of Net Assets
March 31, 2007

	<u>Total Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 6,070,107
Property Taxes Receivable, (net of allowance for uncollectibles)	3,369,762
Prepaid Expenditures	<u>17,415</u>
Total Current Assets	<u>9,457,284</u>
Non-Current Assets	
Capital Assets	
Capital Assets Not Being Depreciated (Land)	633,541
Other Capital Assets, Net of Depreciation	<u>5,406,719</u>
Total Non-Current Assets	<u>6,040,260</u>
TOTAL ASSETS	<u>15,497,544</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	149,062
Accrued Wages	37,561
Accrued Expenses	<u>65,065</u>
Total Current Liabilities	<u>251,688</u>
Non-Current Liabilities	
Accrued Expenses	<u>130,148</u>
Total Non-Current Liabilities	<u>130,148</u>
TOTAL LIABILITIES	<u>381,836</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	6,040,260
Unrestricted Net Assets	<u>9,075,448</u>
TOTAL NET ASSETS	<u><u>\$ 15,115,708</u></u>

See Accompanying Notes To The Financial Statements.

**Hanover Township
Governmental Funds
Balance Sheet
March 31, 2007**

	<u>Town</u>	<u>Senior Services</u>	<u>Road and Bridge</u>	<u>Mental Health</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
ASSETS						
Cash	\$ 1,381,383	\$ 615,950	\$ 2,583,370	\$ 775,070	\$ 714,334	\$ 6,070,107
Property Taxes Receivable	1,657,190	500,539	425,732	481,515	304,786	3,369,762
Prepaid Expenditures	7,681	0	5,109	0	4,625	17,415
TOTAL ASSETS	<u>3,046,254</u>	<u>1,116,489</u>	<u>3,014,211</u>	<u>1,256,585</u>	<u>1,023,745</u>	<u>9,457,284</u>
LIABILITIES						
Accounts Payable	135,273	8,830	4,959	0	0	149,062
Accrued Wages	22,666	10,173	1,697	1,148	1,877	37,561
Accrued Expenses	21,682	0	0	0	0	21,682
Deferred Property Taxes	1,657,190	500,539	425,732	481,515	304,786	3,369,762
TOTAL LIABILITIES	<u>1,836,811</u>	<u>519,542</u>	<u>432,388</u>	<u>482,663</u>	<u>306,663</u>	<u>3,578,067</u>
FUND BALANCES						
Unreserved, Undesignated	1,209,443	0	0	0	0	1,209,443
Unreserved, Special Revenue Funds	0	596,947	2,581,823	773,922	717,082	4,669,774
TOTAL FUND BALANCES	<u>1,209,443</u>	<u>596,947</u>	<u>2,581,823</u>	<u>773,922</u>	<u>717,082</u>	<u>5,879,217</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,046,254</u>	<u>\$ 1,116,489</u>	<u>\$ 3,014,211</u>	<u>\$ 1,256,585</u>	<u>\$ 1,023,745</u>	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	6,040,260
Deferred Property Tax Revenue is not recorded on the Statement of Net Assets.	3,369,762
Compensated Absences are not liabilities for the current period and therefore are reported in the funds.	<u>(173,531)</u>

NET ASSETS OF GOVERNMENTAL FUNDS \$ 15,115,708

**Hanover Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2007**

	<u>Town</u>	<u>Senior Services</u>	<u>Road and Bridge</u>	<u>Mental Health</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
REVENUES						
Property Taxes	\$ 2,395,054	\$ 726,143	\$ 604,150	\$ 697,025	\$ 444,136	\$ 4,866,508
Replacement Taxes	25,443	0	22,883	9,647	3,508	61,481
Therapy Fees	26,318	0	0	0	0	26,318
Bus Fees	0	0	0	0	9,574	9,574
Passport Fees	53,871	0	0	0	0	53,871
Grant Income	0	15,323	0	0	104,958	120,281
Youth Commission	24,136	0	0	0	0	24,136
Permits and Traffic Fines	0	0	1,808	0	0	1,808
Rental Income	10,000	0	0	11,785	0	21,785
Interest	44,343	12,500	110,981	1,813	50,224	219,861
Miscellaneous	31,438	80,404	6,778	8,862	676	128,158
TOTAL REVENUES	<u>2,610,603</u>	<u>834,370</u>	<u>746,600</u>	<u>729,132</u>	<u>613,076</u>	<u>5,533,781</u>
EXPENDITURES						
Current:						
Administration	1,551,078	0	0	0	437,057	1,988,135
Youth Commission	532,509	0	0	0	0	532,509
Senior Center	0	809,375	0	0	0	809,375
Road and Bridge	0	0	321,496	0	0	321,496
Mental Health	0	0	0	594,201	0	594,201
Home Relief	0	0	0	0	96,884	96,884
Capital Outlay	208,140	10,003	4,029	1,371	144,871	368,414
TOTAL EXPENDITURES	<u>2,291,727</u>	<u>819,378</u>	<u>325,525</u>	<u>595,572</u>	<u>678,812</u>	<u>4,711,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	318,876	14,992	421,075	133,560	(65,736)	822,767
OTHER FINANCING SOURCES (USES)						
Transfers In	0	0	0	0	58,083	58,083
Transfers (Out)	(58,083)	0	0	0	0	(58,083)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(58,083)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,083</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	260,793	14,992	421,075	133,560	(7,653)	822,767
FUND BALANCES						
BEGINNING OF YEAR	948,650	581,955	2,160,748	640,362	724,735	5,056,450
END OF YEAR	<u>\$ 1,209,443</u>	<u>\$ 596,947</u>	<u>\$ 2,581,823</u>	<u>\$ 773,922</u>	<u>\$ 717,082</u>	<u>\$ 5,879,217</u>

See Accompanying Notes To The Financial Statements.

Hanover Township

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
March 31, 2007**

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues, Expenditures and Changes in Fund Balances)	\$ 822,767
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(344,139)
Loss on disposal of capital assets is not considered an expenditure in the fund financial statements.	(28,425)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	388,151
Property taxes that do not provide current financial resources are not reported as property tax revenue in the fund financial statements.	324,428
Compensated absences payable are not due and payable in the current period and therefore, are not reported on the governmental funds.	<u>30,885</u>
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$ 1,193,667</u>

See Accompanying Notes To The Financial Statements.

Hanover Township
Notes To The Financial Statements
For the Year Ended March 31, 2007

NOTE 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 accounting and reporting policies of the Township included in the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

The Township follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Township has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Township is not required to be included as a component unit of any other entity.

B. Changes in Accounting Methods

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). Hanover Township has implemented GASB 34 effective April 1, 2004.

The implementation of GASB 34 adds two "Government-Wide" financial statements as basic financial statements required for all governmental units. They are the Statement of Net Assets, which presents the financial condition of the governmental activities of the Township at fiscal year end, and the Statement of Activities, which presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Changes in Accounting Methods (Continued)

The reporting model for GASB 34 classifies funds as governmental activities. Further, all non-fiduciary funds are classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Both new statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the Township used the modified accrual basis accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

C. Basis of Presentation

GOVERNMENT -WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Township does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Township are financed. The Township's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Township's governmental funds follows:

Town Fund

The Town Fund is the general operating fund of the Township. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Funds included in this fund category are:

Senior Services Fund	General Assistance Fund
Road and Bridge Fund	Retirement Fund
Mental Health Fund	Vehicle Replacement Fund

MAJOR FUNDS

The Township reports the following major governmental funds:

- The Town Fund accounts for the resourced 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 revenue 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.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

NON-MAJOR FUNDS

The Township reports the following non-major funds:

- General Assistance Fund
- Retirement Fund
- Vehicle Replacement Fund

D. Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Township's operations. "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.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The Township considers property taxes available if they are due and collected by year end. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The Township reports unearned revenues on its Statement of Net Assets and deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Township before it has a legal claim to them. 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 Governmental Funds Balance Sheet and revenue is recognized accordingly.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus

On the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets and the operating statements present increases and decreases in net total assets.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

F. Use of Estimates

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

G. Budget and Budgetary Accounting

Budgetary information for individual funds is prepared on the same basis as the basic financial statements. Annual appropriated budgets are adopted at the fund level for the town and special revenue funds. The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. 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.
2. The proposed budget is presented to governing body for review.
3. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.
4. The budget may be amended by the governing body.
5. Expenditures may not legally exceed budgeted appropriations at the fund level.
6. The annual budget is legally enacted and provides for a legal level of control at the fund level. All appropriations lapse at fiscal year end

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash, Cash Equivalents, and Investments

The Township considers all highly liquid investments with an initial maturity date within three months of the date acquired by the Township and investment pools to be cash equivalents.

I. Interfund Receivables/Payables

Amounts due to and due from other funds arise during the course of the Township's operations because of numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that these transactions have not been repaid as of March 31, 2007, an interfund receivable and payable have been recorded.

J. Interfund Transactions

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond April 30, 2007 are recorded as prepaid items.

L. Capital Assets

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the Township has adopted a capitalization threshold of \$1,000 for capital asset additions. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Prior to May 1, 2004, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government wide financial statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is currently encouraged, but not required.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 to 30 years
Furniture and Equipment	7 to 20 years
Infrastructure	20 years

FUND FINANCIAL STATEMENTS

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made. Public domain (infrastructure) assets consisting of roads, curbs and gutters, sidewalks, drainage systems, and lighting systems are not capitalized in the fund financial statements.

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.

M. Compensated Absences

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

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

N. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

O. Property Taxes

The Township's property taxes are levied each calendar year on all taxable real property located within the Township and accrued as deferred revenue in the fiscal year of levy. Property taxes due within the current fiscal year and collected by year end are recorded as revenue.

The Cook County Assessor is responsible for assessment of all taxable real property within Cook County.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Property Taxes (continued)

The Cook County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the Cook County Collector as the basis for issuing tax bills to Cook County taxpayers.

The Cook County Collector collects all property taxes and submits them to the County Treasurer, who remits them to the Township. Taxes must be levied by the last Tuesday in December and are payable in two installments, on March 1 and August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the levy year. An 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.

P. Equity Classifications

GOVERNMENT -WIDE FINANCIAL STATEMENTS

Equity is classified as net assets and displayed in three components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation, net of related debt.
- Restricted net assets – consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net assets – consists of all other net assets that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. Fund balance may further be classified as reserved and unreserved.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 2 - DEPOSITS

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.

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.

At March 31, 2007, the carrying amount of the Township's deposits was \$6,069,657, not including a petty cash fund of \$450 and the bank balance was \$6,243,032. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

The following table categorizes the Township's cash and cash equivalents according to levels of custodial credit risk.

	<u>Carrying Amount</u>	<u>Bank Balances</u>
Category:		
Deposits covered by depository insurance or collateralized, with securities held by the Township or by its agent in the Township's name.	\$ 465,433	\$ 465,434
Deposits which are collateralized, with securities held by the pledging financial institution's trust department or agent in the Township's name.	5,162,618	5,335,992
Deposits which are uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.	<u>441,606</u>	<u>441,606</u>
Total Bank Deposits	<u>\$ 6,069,657</u>	<u>\$ 6,243,032</u>

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows. Total depreciation expense for the year was \$344,139.

	Capital Assets April 1, 2006	Additions	Deletions	Capital Assets March 31, 2007
Governmental Activities				
Capital Assets not Subject to Depreciation				
Land	\$ 633,541	\$ 0	\$ 0	\$ 633,541
Total Capital Assets not Being Depreciated	633,541	0	0	633,541
Capital Assets Subject to Depreciation				
Buildings	4,755,299	0	0	4,755,299
Building Improvements	257,805	148,060	0	405,865
Office Furniture and Equipment	574,216	88,959	(42,898)	620,277
Trucks and Equipment	372,298	51,978	0	424,276
Buses	317,345	99,154	0	416,499
Infrastructure	147,676	0	0	147,676
Total Capital Assets Being Depreciated	6,424,639	388,151	(42,898)	6,769,892
Less Accumulated Depreciation				
Buildings	(344,635)	(158,510)	0	(503,145)
Building Improvements	(56,305)	(32,278)	0	(88,583)
Office Furniture and Equipment	(276,829)	(62,668)	28,807	(310,690)
Trucks and Equipment	(199,117)	(47,815)	0	(246,932)
Buses	(160,465)	(35,024)	0	(195,489)
Infrastructure	(10,490)	(7,844)	0	(18,334)
Total Accumulated Depreciation	(1,047,841)	(344,139)	28,807	(1,363,173)
Net Capital Assets - Governmental Activities	<u>\$ 6,010,339</u>	<u>\$ 44,012</u>	<u>\$ (14,091)</u>	<u>\$ 6,040,260</u>

NOTE 4 - LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities is as follows:

	Balance 3/31/2006	Additions	Reductions	Balance 3/31/2007	Due Within One Year
Compensated Absences	\$ 204,416	\$ 20,219	\$ 51,104	\$ 173,531	\$ 43,383
Total Long-Term Debt	<u>\$ 204,416</u>	<u>\$ 20,219</u>	<u>\$ 51,104</u>	<u>\$ 173,531</u>	<u>\$ 43,383</u>

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 5 - RETIREMENT FUND COMMITMENT

A. Plan Description

The Township's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% 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 the calendar year 2006 was 10.13% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

For December 31, 2006, the Township's annual pension cost of \$185,264 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% 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 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% 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 with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002 -2004 experience study.

B. Trend Information

Actual Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2006	\$ 185,264	100%	\$ 0
12/31/2005	160,443	100%	0
12/31/2004	150,878	100%	0
12/31/2003	127,502	100%	0
12/31/2002	116,018	100%	0
12/31/2001	120,861	100%	0
12/31/2000	111,474	100%	0
12/31/1999	110,229	100%	0
12/31/1998	99,084	100%	0
12/31/1997	86,690	100%	0

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 5 - RETIREMENT FUND COMMITMENT (CONTINUED)

C. Required Supplementary Information - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2006	\$ 1,959,375	\$ 2,592,537	\$ 633,162	75.58%	\$ 1,823,706	34.72%
12/31/2005	1,943,392	2,335,829	392,437	83.20%	1,622,271	24.19%
12/31/2004	1,756,568	2,125,249	368,681	82.65%	1,428,767	25.80%
12/31/2003	1,941,528	2,185,525	243,997	88.84%	1,287,899	18.95%
12/31/2002	1,933,627	2,289,279	355,652	84.46%	1,182,651	30.07%
12/31/2001	1,923,674	2,160,392	236,718	89.04%	1,195,462	19.80%
12/31/2000	1,643,500	1,884,289	240,789	87.22%	1,139,812	21.13%
12/31/1999	1,309,838	1,624,560	314,722	80.63%	1,060,921	29.66%
12/31/1998	1,169,890	1,437,912	268,022	81.36%	935,637	28.65%
12/31/1997	947,288	1,294,528	347,240	73.18%	883,168	39.32%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$2,173,090. On a market basis, the funded ratio would be 83.82%.

D. Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.
- SLEP Member contribution rate changed from 6.5% to 7.5% effective June 1, 2006.

NOTE 6 - FUND BALANCES

At March 31, 2007, no funds had a deficit balance.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 2007 the Township no interfun d receivables/payables.

Hanover Township
Notes To The Financial Statements (Continued)
For the Year Ended March 31, 2007

NOTE 8 - 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.

NOTE 9 – INTERFUND RENT

The Hanover Township Mental Health Board entered into a ten year lease with Hanover Township starting June 1, 2001 and ending May 31, 2011. The terms of the lease call for monthly rent of \$833. This activity is recorded in the fund financial statements and eliminated in the government wide financial statements.

**Hanover Township
Town Fund
Budgetary Comparison Schedule
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,358,704	\$ 2,358,704	\$ 2,395,054	\$ 36,350
Replacement Taxes	20,000	20,000	25,443	5,443
Therapy Fees	20,000	20,000	26,318	6,318
Passport Fees	30,000	30,000	53,871	23,871
Youth Commission	25,000	25,000	24,136	(864)
Rental Income	12,500	12,500	10,000	(2,500)
Interest Income	25,000	25,000	44,343	19,343
Other Income	4,500	4,500	31,438	26,938
TOTAL REVENUES	2,495,704	2,495,704	2,610,603	114,899
EXPENDITURES				
Administration				
Compensation of Officials	98,802	98,802	97,236	1,566
Town Office Help	515,750	515,750	490,396	25,354
Town Hall Expense	199,870	199,870	207,447	(7,577)
Legal and Audit	55,000	55,000	88,254	(33,254)
Insurance and Employee Benefits	334,190	334,190	335,502	(1,312)
Assessor's Office	128,382	128,382	108,010	20,372
Astor Avenue Project	129,922	129,922	47,302	82,620
Building Expenses	26,528	26,528	20,749	5,779
Clerk's Department	90,120	90,120	93,185	(3,065)
Veterans' Affairs	17,246	17,246	17,068	178
Community Health Nurse	47,501	47,501	45,929	1,572
Youth Commission	614,890	614,890	532,509	82,381
Capital Outlay	207,800	207,800	208,140	(340)
TOTAL EXPENDITURES	2,466,001	2,466,001	2,291,727	174,274
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	29,703	29,703	318,876	289,173
OTHER FINANCING SOURCES				
Transfers Out	(58,363)	(58,363)	(58,083)	280
TOTAL OTHER FINANCING SOURCES	(58,363)	(58,363)	(58,083)	280
NET CHANGE IN FUND BALANCE	\$ (28,660)	\$ (28,660)	260,793	\$ 289,453
FUND BALANCE, BEGINNING OF YEAR			948,650	
END OF YEAR			\$ 1,209,443	

**Hanover Township
Senior Services Fund
Budgetary Comparison Schedule
For the Year Ended March 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 716,887	\$ 716,887	\$ 726,143	\$ 9,256
Grant Income	16,800	16,800	15,323	(1,477)
Interest Income	12,500	12,500	12,500	0
Other Income	18,000	18,000	80,404	62,404
TOTAL REVENUES	<u>764,187</u>	<u>764,187</u>	<u>834,370</u>	<u>70,183</u>
EXPENDITURES				
Administration	611,636	611,636	590,427	21,209
Social Services	118,575	118,575	152,591	(34,016)
Transportation	69,483	69,483	66,357	3,126
Capital Outlay	5,500	5,500	10,003	(4,503)
TOTAL EXPENDITURES	<u>805,194</u>	<u>805,194</u>	<u>819,378</u>	<u>(14,184)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (41,007)</u>	<u>\$ (41,007)</u>	14,992	<u>\$ 55,999</u>
FUND BALANCE, BEGINNING OF YEAR			<u>581,955</u>	
END OF YEAR			<u>\$ 596,947</u>	

**Hanover Township
Road and Bridge Fund
Budgetary Comparison Schedule
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 601,670	\$ 601,670	\$ 604,150	\$ 2,480
Replacement Taxes	14,500	14,500	22,883	8,383
Interest Income	6,000	6,000	110,981	104,981
Permits and Traffic Fines	1,500	1,500	1,808	308
Miscellaneous	0	0	6,778	6,778
TOTAL REVENUES	623,670	623,670	746,600	122,930
EXPENDITURES				
Maintenance of Roads	540,171	540,171	269,903	270,268
Administration	110,646	110,646	51,593	59,053
Capital Outlay	115,120	115,120	4,029	111,091
TOTAL EXPENDITURES	765,937	765,937	325,525	440,412
NET CHANGE IN FUND BALANCE	\$ (142,267)	\$ (142,267)	421,075	\$ 563,342
FUND BALANCE, BEGINNING OF YEAR			2,160,748	
END OF YEAR			\$ 2,581,823	

**Hanover Township
Mental Health Fund
Budgetary Comparison Schedule
For the Year Ended March 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 689,732	\$ 689,732	\$ 697,025	\$ 7,293
Replacement Taxes	12,000	12,000	9,647	(2,353)
Rental Income	11,640	11,640	11,785	145
Interest Income	5,800	5,800	1,813	(3,987)
Other Income	5,000	5,000	8,862	3,862
TOTAL REVENUES	<u>724,172</u>	<u>724,172</u>	<u>729,132</u>	<u>4,960</u>
EXPENDITURES				
Service Contracts/Grant by Agency	470,000	470,000	456,359	13,641
Administration	108,087	108,087	109,022	(935)
Building Occupancy	32,900	32,900	28,820	4,080
Capital Improvements	10,000	10,000	1,371	8,629
TOTAL EXPENDITURES	<u>620,987</u>	<u>620,987</u>	<u>595,572</u>	<u>25,415</u>
NET CHANGE IN FUND BALANCE	<u>\$ 103,185</u>	<u>\$ 103,185</u>	133,560	<u>\$ 30,375</u>
FUND BALANCE, BEGINNING OF YEAR			<u>640,362</u>	
END OF YEAR			<u>\$ 773,922</u>	

**Hanover Township
Town Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Compensation of Officials	\$ 98,802	\$ 98,802	\$ 97,236	\$ 1,566
Town Office Help				
Postage	1,600	1,600	2,511	(911)
Office Supplies	5,500	5,500	9,818	(4,318)
Printing	1,000	1,000	564	436
Salaries	291,000	291,000	301,885	(10,885)
Employee Assistance Program	2,000	2,000	0	2,000
Travel Expense	4,000	4,000	3,504	496
Dues, Subscriptions and Publications	2,400	2,400	4,208	(1,808)
Pre Employment Charges	750	750	817	(67)
Education and Training	16,500	16,500	7,658	8,842
Consulting	5,000	5,000	7,507	(2,507)
Financial Administration	36,000	36,000	35,834	166
Community Affairs	40,000	40,000	42,828	(2,828)
Pace Bus Expense	0	0	1,745	(1,745)
Emergency Contingency Fund	100,000	100,000	53,655	46,345
Other Expenses	10,000	10,000	17,862	(7,862)
Total Town Office Help	515,750	515,750	490,396	25,354
Town Hall Expense				
Telephone	27,000	27,000	25,634	1,366
Utilities	95,750	95,750	80,551	15,199
High Speed Internet	2,600	2,600	3,192	(592)
Equipment Rental	3,400	3,400	1,758	1,642
Equipment Maintenance	26,500	26,500	34,848	(8,348)
Janitorial Supplies	8,320	8,320	10,618	(2,298)
Trash Removal	3,300	3,300	2,888	412
Building Maintenance	31,500	31,500	42,278	(10,778)
Vehicle Maintenance	1,500	1,500	5,680	(4,180)
Total Town Hall Expense	199,870	199,870	207,447	(7,577)
Legal and Audit				
Audit	15,000	15,000	14,225	775
Legal	40,000	40,000	74,029	(34,029)
Total Legal and Audit	55,000	55,000	88,254	(33,254)

**Hanover Township
Town Fund
Schedule of Expenditures (Continued)
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Insurance and Employee Benefits				
General Insurance	\$ 50,000	\$ 50,000	\$ 50,057	\$ (57)
Medical, Dental and Life Insurance	221,340	221,340	211,541	9,799
Unemployment Compensation	22,000	22,000	39,596	(17,596)
Flex Plan	850	850	1,308	(458)
Health Insurance Waiver	40,000	40,000	33,000	7,000
Total Insurance and Employee Benefits	334,190	334,190	335,502	(1,312)
Assessor's Office				
Office Supplies	5,679	5,679	4,062	1,617
Printing and Newsletter	713	713	561	152
Salaries	98,325	98,325	93,938	4,387
Equipment Purchase	3,548	3,548	2,575	973
Travel Expense	2,790	2,790	1,319	1,471
Dues, Subscriptions and Publications	3,208	3,208	2,386	822
Training	2,164	2,164	0	2,164
Building & Permanent Improvements	602	602	0	602
Equipment Rental	3,238	3,238	318	2,920
Equipment Maintenance	7,033	7,033	2,851	4,182
Professional Services	1,082	1,082	0	1,082
Total Assessor's Office	128,382	128,382	108,010	20,372
Astor Avenue Project				
Salaries	109,876	109,876	29,335	80,541
Staff Training	1,030	1,030	15	1,015
Staff Expense	1,545	1,545	2,665	(1,120)
After School Program	8,201	8,201	6,802	1,399
Supplies	5,150	5,150	4,918	232
Consultants	515	515	0	515
Professional Services	3,605	3,605	3,567	38
Total Astor Avenue Project	129,922	129,922	47,302	82,620
Building Expenses				
Telephone	5,055	5,055	1,817	3,238
Utilities	9,000	9,000	6,579	2,421
Building Maintenance and Supplies	2,575	2,575	1,727	848
Capital Expenditures	9,898	9,898	10,626	(728)
Total Building Expenses	26,528	26,528	20,749	5,779

**Hanover Township
Town Fund
Schedule of Expenditures (Continued)
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Clerk's Department				
Salaries	71,362	71,362	70,027	1,335
Postage	500	500	1,220	(720)
Office Supplies	800	800	1,257	(457)
Printing and Legal Notices	6,500	6,500	8,110	(1,610)
Travel and Seminars	1,000	1,000	561	439
Dues, Subscriptions and Publications	400	400	716	(316)
Community Affairs	3,000	3,000	3,044	(44)
Equipment Maintenance and Repair	1,648	1,648	408	1,240
Passport Expenditures	3,000	3,000	5,875	(2,875)
Other Expenses	1,910	1,910	1,967	(57)
Total Clerk's Department	90,120	90,120	93,185	(3,065)
Veterans' Affiars				
Salaries	17,046	17,046	17,054	(8)
Travel Expense	100	100	0	100
Other Expenses	100	100	14	86
Total Veterans' Affiars	17,246	17,246	17,068	178
Community Health Nurse				
Salaries	33,800	33,800	27,187	6,613
Postage	500	500	1,055	(555)
Office Supplies	750	750	895	(145)
Printing & Legal Notices	1,000	1,000	177	823
Travel Expense & Seminars	2,000	2,000	1,030	970
Dues, Sub & Publications	749	749	798	(49)
Community Affairs	500	500	828	(328)
Equipment Maint. & Rental	3,500	3,500	6,337	(2,837)
Professional Services	2,500	2,500	113	2,387
Seminars	1,000	1,000	0	1,000
Medical Supplies	0	0	5,440	(5,440)
Miscellaneous Expense	1,202	1,202	2,069	(867)
Total Community Health Nurse	47,501	47,501	45,929	1,572

**Hanover Township
Town Fund
Schedule of Expenditures (Continued)
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Youth Commission				
Salaries	514,601	514,601	452,197	62,404
Expenses	16,575	16,575	16,143	432
Staff Expenses	4,000	4,000	3,608	392
Staff Education	5,150	5,150	3,471	1,679
Consulting	3,300	3,300	3,000	300
Answering Service	1,236	1,236	1,200	36
Printing	2,000	2,000	1,433	567
Postage	1,700	1,700	1,258	442
Books and Journals	500	500	453	47
Equipment Maintenance	2,000	2,000	435	1,565
Psychiatric Backup	20,000	20,000	15,150	4,850
Insurance	3,000	3,000	1,878	1,122
Open Gym Program	20,000	20,000	17,895	2,105
Tutoring	20,828	20,828	14,388	6,440
Total Youth Commission	614,890	614,890	532,509	82,381
Capital Outlay				
Building and Permanent Improvements	70,000	70,000	84,562	(14,562)
Furniture and Computer Equipment	122,800	122,800	109,011	13,789
Equipment Purchases	15,000	15,000	14,567	433
Total Capital Outlay	207,800	207,800	208,140	(340)
TOTAL EXPENDITURES	\$ 2,466,001	\$ 2,466,001	\$ 2,291,727	\$ 174,274

**Hanover Township
Senior Services Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Administration				
Salaries	\$ 565,594	\$ 565,594	\$ 543,819	\$ 21,775
Recruitment	2,000	2,000	3,549	(1,549)
Postage, Printing and Supplies	6,800	6,800	15,224	(8,424)
Dues, Subscriptions and Publications	1,000	1,000	499	501
Travel/Seminars	5,978	5,978	9,067	(3,089)
Public Relations	4,500	4,500	6,176	(1,676)
Title Endowment Fund	24,764	24,764	10,434	14,330
Miscellaneous	1,000	1,000	1,659	(659)
Total Administration	611,636	611,636	590,427	21,209
Social Services				
Programming	30,500	30,500	92,195	(61,695)
Outreach	2,775	2,775	1,811	964
Volunteer Services	14,500	14,500	12,949	1,551
Club 59	20,000	20,000	17,155	2,845
Nutrition	15,000	15,000	8,184	6,816
Computer Instruction	2,000	2,000	704	1,296
Visual Arts	17,000	17,000	15,160	1,840
Title III Expenditures	16,800	16,800	4,433	12,367
Total Social Services	118,575	118,575	152,591	(34,016)
Transporation				
Emergency Maintenance Fund	13,483	13,483	0	13,483
Vehicle Maintenance	56,000	56,000	66,357	(10,357)
Total Transporation	69,483	69,483	66,357	3,126
Capital Outlay				
Equipment Purchase	5,500	5,500	10,003	(4,503)
Total Capital Outlay	5,500	5,500	10,003	(4,503)
TOTAL EXPENDITURES	\$ 805,194	\$ 805,194	\$ 819,378	\$ (14,184)

**Hanover Township
Road and Bridge Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Maintenance of Roads				
Controlled Substance Testing	\$ 1,500	\$ 1,500	\$ 325	\$ 1,175
Salaries	140,000	140,000	109,648	30,352
Materials & Supplies	12,000	12,000	3,703	8,297
Gas and Oil	9,000	9,000	11,443	(2,443)
Machine Rental	1,700	1,700	1,439	261
Engineering	10,000	10,000	8,950	1,050
Contract Work	292,971	292,971	79,494	213,477
Equipment Maintenance	15,000	15,000	14,131	869
Street Lighting	3,000	3,000	5,878	(2,878)
Building Maintenance	5,000	5,000	295	4,705
Signs, Striping and Tree Removal	15,000	15,000	520	14,480
Bridge Repair and Maintenance	15,000	15,000	0	15,000
Salt	20,000	20,000	34,077	(14,077)
	<u>540,171</u>	<u>540,171</u>	<u>269,903</u>	<u>270,268</u>
Total Maintenance of Roads				
Administration				
Unemployment Compensation	1,300	1,300	415	885
IMRF Expense	14,686	14,686	365	14,321
FICA Expense	10,710	10,710	353	10,357
Postage	1,000	1,000	647	353
Legal	7,500	7,500	520	6,980
Insurance	45,000	45,000	37,780	7,220
Audit	2,500	2,500	0	2,500
Telephone	2,500	2,500	1,386	1,114
Dues, Subscriptions and Publications	2,500	2,500	303	2,197
Travel Expense	1,500	1,500	700	800
Printing	200	200	155	45
Uniforms and Safety Equipment	1,000	1,000	654	346
Utilities	6,000	6,000	7,618	(1,618)
Office Supplies	2,000	2,000	697	1,303
Miscellaneous	250	250	0	250
	<u>98,646</u>	<u>98,646</u>	<u>51,593</u>	<u>47,053</u>
Total Administration				
Capital Outlay				
Equipment Purchase	101,120	101,120	0	101,120
Construction Equipment	4,000	4,000	208	3,792
Building and Permanent Improvement	10,000	10,000	3,821	6,179
	<u>115,120</u>	<u>115,120</u>	<u>4,029</u>	<u>111,091</u>
Total Capital Outlay				
TOTAL EXPENDITURES	<u>\$ 753,937</u>	<u>\$ 753,937</u>	<u>\$ 325,525</u>	<u>\$ 428,412</u>

**Hanover Township
Mental Health Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Service Contracts/Grant by Agency				
Community Crisis Center	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Children's Advocacy Center	48,500	48,500	48,500	0
Open Door Clinic	2,000	2,000	1,500	500
Association for Individual Development	33,000	33,000	33,000	0
Clearbook	5,000	5,000	5,000	0
Jayne Shover Easter Seal Center	37,000	37,000	37,000	0
Renz Addiction Counseling Center	50,000	50,000	50,000	0
Dayone Network, Inc.	6,000	6,000	6,000	0
Northwest CASA	8,000	8,000	8,000	0
Pace, Transpiration	33,000	33,000	26,489	6,511
Ecker Mental Health Center	54,500	54,500	54,500	0
Hanover Township Youth Services	20,000	20,000	20,000	0
Contract Support Services	20,000	20,000	24,850	(4,850)
Community Education	5,000	5,000	2,195	2,805
Centro De Informacion	20,000	20,000	20,000	0
The Bridge	14,000	14,000	14,000	0
Senior Services Association	17,000	17,000	12,750	4,250
Family Services	15,000	15,000	15,000	0
LSSI	5,500	5,500	2,580	2,920
Epilepsy Foundation	1,500	1,500	1,500	0
Larkin Center	1,500	1,500	1,500	0
Summit Center	1,500	1,500	1,500	0
Tide Project	13,000	13,000	16,495	(3,495)
PADS of Elgin	6,000	6,000	6,000	0
Alexian Brothers- Outpt Psych.	3,500	3,500	3,500	0
Countryside Work Training Center	1,000	1,000	1,000	0
Greater Elgin Family Care Center	3,500	3,500	3,500	0
Adaptive Technology Devices Fund	5,000	5,000	0	5,000
Total Service Contracts/Grants by Agency	470,000	470,000	456,359	13,641

**Hanover Township
Mental Health Fund
Schedule of Expenditures (continued)
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Administration				
Hanover Township Services	4,500	4,500	5,866	(1,366)
Legal	1,500	1,500	5,288	(3,788)
Travel & Conferences	500	500	387	113
Personal Expense Reimbursement	3,000	3,000	2,495	505
Auditing	250	250	119	131
Subscriptions and Publications	250	250	161	89
Salaries	59,664	59,664	59,664	0
Employee Benefits	10,000	10,000	9,373	627
Unemployment Compensation	550	550	0	550
IMRF Expense	6,259	6,259	5,917	342
FICA Expense	4,564	4,564	3,706	858
Supplies	500	500	801	(301)
Postage	1,500	1,500	863	637
Equip Purchase & Maintenance	2,000	2,000	2,625	(625)
Dues	4,800	4,800	4,197	603
Printing	1,000	1,000	320	680
Marketing and Grant Development	4,000	4,000	3,140	860
Other Expenses	3,250	3,250	4,100	(850)
Total Administration	108,087	108,087	109,022	(935)
Building Occupancy				
Utilities	11,000	11,000	8,682	2,318
Insurance	1,000	1,000	0	1,000
Building Maintenance	3,000	3,000	2,965	35
Janitorial	7,000	7,000	5,682	1,318
Rent	10,000	10,000	9,935	65
Agency Support Service	900	900	1,556	(656)
Total Building Occpancy	32,900	32,900	28,820	4,080
Capital Improvements	10,000	10,000	1,371	8,629
TOTAL EXPENDITURES	\$ 620,987	\$ 620,987	\$ 595,572	\$ 25,415

**Hanover Township
Non-Major Governmental Funds
Combining Balance Sheet
March 31, 2007**

	<u>Special Revenue Funds</u>			
	<u>General Assistance</u>	<u>Retirement</u>	<u>Vehicle Replacement</u>	<u>Total</u>
ASSETS				
Cash	\$ 423,343	\$ 100,086	\$ 190,905	\$ 714,334
Property Taxes Receivable	151,319	153,467	0	304,786
Prepaid Expenditures	4,625	0	0	4,625
TOTAL ASSETS	<u>579,287</u>	<u>253,553</u>	<u>190,905</u>	<u>1,023,745</u>
LIABILITIES				
Accounts Payable	0	0	0	0
Accrued Wages	1,877	0	0	1,877
Accrued Expenses	0	0	0	0
Deferred Property Taxes	151,319	153,467	0	304,786
TOTAL LIABILITIES	<u>153,196</u>	<u>153,467</u>	<u>0</u>	<u>306,663</u>
FUND BALANCE	<u>426,091</u>	<u>100,086</u>	<u>190,905</u>	<u>717,082</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 579,287</u>	<u>\$ 253,553</u>	<u>\$ 190,905</u>	<u>\$ 1,023,745</u>

**Hanover Township
 Non-Major Governmental Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended March 31, 2007**

	<u>Special Revenue Funds</u>			
	<u>General Assistance</u>	<u>Retirement</u>	<u>Vehicle Replacement</u>	<u>Total</u>
REVENUES				
Property Taxes	\$ 221,499	\$ 222,637	\$ 0	\$ 444,136
Replacement Taxes	3,508	0	0	3,508
Bus Fares	0	0	9,574	9,574
Grant Income	49,238	0	55,720	104,958
Interest Income	16,811	32,641	772	50,224
Other Income	676	0	0	676
TOTAL REVENUES	<u>291,732</u>	<u>255,278</u>	<u>66,066</u>	<u>613,076</u>
EXPENDITURES				
Administrative	120,022	317,035	0	437,057
Home Relief	96,884	0	0	96,884
Capital Outlay	48,217	0	96,654	144,871
TOTAL EXPENDITURES	<u>265,123</u>	<u>317,035</u>	<u>96,654</u>	<u>678,812</u>
EXCESS (DEFICIENCIES) OF RECEIPTS OVER EXPENDITURES	<u>26,609</u>	<u>(61,757)</u>	<u>(30,588)</u>	<u>(65,736)</u>
OTHER FINANCING SOURCES				
Transfer In	0	0	58,083	58,083
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>58,083</u>	<u>58,083</u>
NET CHANGES IN FUND BALANCES	26,609	(61,757)	27,495	(7,653)
FUND BALANCES, BEGINNING OF YEAR	<u>399,482</u>	<u>161,843</u>	<u>163,410</u>	<u>724,735</u>
END OF YEAR	<u>\$ 426,091</u>	<u>\$ 100,086</u>	<u>\$ 190,905</u>	<u>\$ 717,082</u>

**Hanover Township
General Assistance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 210,751	\$ 210,751	\$ 221,499	\$ 10,748
Replacement Taxes	4,500	4,500	3,508	(992)
Grant Income	64,000	64,000	49,238	(14,762)
Interest Income	5,000	5,000	16,811	11,811
Other Income	2,000	2,000	676	(1,324)
TOTAL REVENUES	<u>286,251</u>	<u>286,251</u>	<u>291,732</u>	<u>5,481</u>
EXPENDITURES				
Administration	127,883	127,883	120,022	7,861
Home Relief	164,616	164,616	96,884	67,732
Capital Outlay	60,000	60,000	48,217	11,783
TOTAL EXPENDITURES	<u>352,499</u>	<u>352,499</u>	<u>265,123</u>	<u>87,376</u>
NET CHANGE IN FUND BALANCE	<u>\$ (66,248)</u>	<u>\$ (66,248)</u>	26,609	<u>\$ 92,857</u>
FUND BALANCE, BEGINNING OF YEAR			<u>399,482</u>	
END OF YEAR			<u>\$ 426,091</u>	

**Hanover Township
General Assistance Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Administration				
Salaries	\$ 111,943	\$ 111,943	\$ 103,044	\$ 8,899
Unemployment Compensation	990	990	0	990
Office Supplies	800	800	4,179	(3,379)
Equipment Purchase & Rental	6,000	6,000	6,283	(283)
Travel	1,500	1,500	2,912	(1,412)
Equipment Maintenance	500	500	0	500
Printing	450	450	0	450
Legal Expenses	100	100	0	100
Professional Services	3,500	3,500	1,175	2,325
Dues, Subscriptions & Publications	800	800	158	642
Community Affairs	1,300	1,300	2,271	(971)
Total Administration	127,883	127,883	120,022	7,861
Home Relief				
Rent	90,000	90,000	71,949	18,051
Utilities	5,500	5,500	8,350	(2,850)
Clothing	250	250	0	250
Travel Expense	920	920	812	108
Medical	4,500	4,500	2,536	1,964
Burial	500	500	2,533	(2,033)
Insurance	49,000	49,000	3,781	45,219
Emergency Assistance	12,401	12,401	6,112	6,289
Miscellaneous	1,545	1,545	811	734
Total Home Relief	164,616	164,616	96,884	67,732
Capital Outlay				
Grant Expenditures	60,000	60,000	48,217	11,783
Total Capital Outlay	60,000	60,000	48,217	11,783
TOTAL EXPENDITURES	\$ 352,499	\$ 352,499	\$ 265,123	\$ 87,376

**Hanover Township
Retirement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 219,799	\$ 219,799	\$ 222,637	\$ 2,838
Interest Income	3,200	3,200	32,641	29,441
TOTAL REVENUES	<u>222,999</u>	<u>222,999</u>	<u>255,278</u>	<u>32,279</u>
EXPENDITURES				
Social Security and Medicare	147,329	147,329	138,454	8,875
IMRF	197,402	197,402	178,581	18,821
TOTAL EXPENDITURES	<u>344,731</u>	<u>344,731</u>	<u>317,035</u>	<u>27,696</u>
NET CHANGE IN FUND BALANCE	<u>\$ (121,732)</u>	<u>\$ (121,732)</u>	<u>(61,757)</u>	<u>\$ 59,975</u>
FUND BALANCE, BEGINNING OF YEAR			<u>161,843</u>	
END OF YEAR			<u>\$ 100,086</u>	

**Hanover Township
Vehicle Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Bus Fares	\$ 7,500	\$ 7,500	\$ 9,574	\$ 2,074
Grant Income	55,720	55,720	55,720	0
Donations	25,000	25,000	0	(25,000)
Interest Income	500	500	772	272
TOTAL REVENUES	88,720	88,720	66,066	(22,654)
EXPENDITURES				
Vehicle Purchase	169,000	169,000	96,654	72,346
TOTAL EXPENDITURES	169,000	169,000	96,654	72,346
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	(80,280)	(80,280)	(30,588)	49,692
OTHER FINANCING SOURCES				
Transfers In	58,353	58,353	58,083	270
TOTAL OTHER FINANCING SOURCES	58,353	58,353	58,083	270
NET CHANGE IN FUND BALANCE	\$ (21,927)	\$ (21,927)	27,495	\$ 49,962
FUND BALANCE, BEGINNING OF YEAR			163,410	
END OF YEAR			\$ 190,905	