

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Eight Months Ended
December 31, 2008

Prepared By

Finance Department

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INTRODUCTORY SECTION

VILLAGE OF HAWTHORN WOODS, ILLINOIS
LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2008

VILLAGE OF BOARD TRUSTEES

Keith L. Hunt, Mayor

Greg Gehrke

Jim Silvers

Neil Morgan

Joanne Weick

Steve Riess

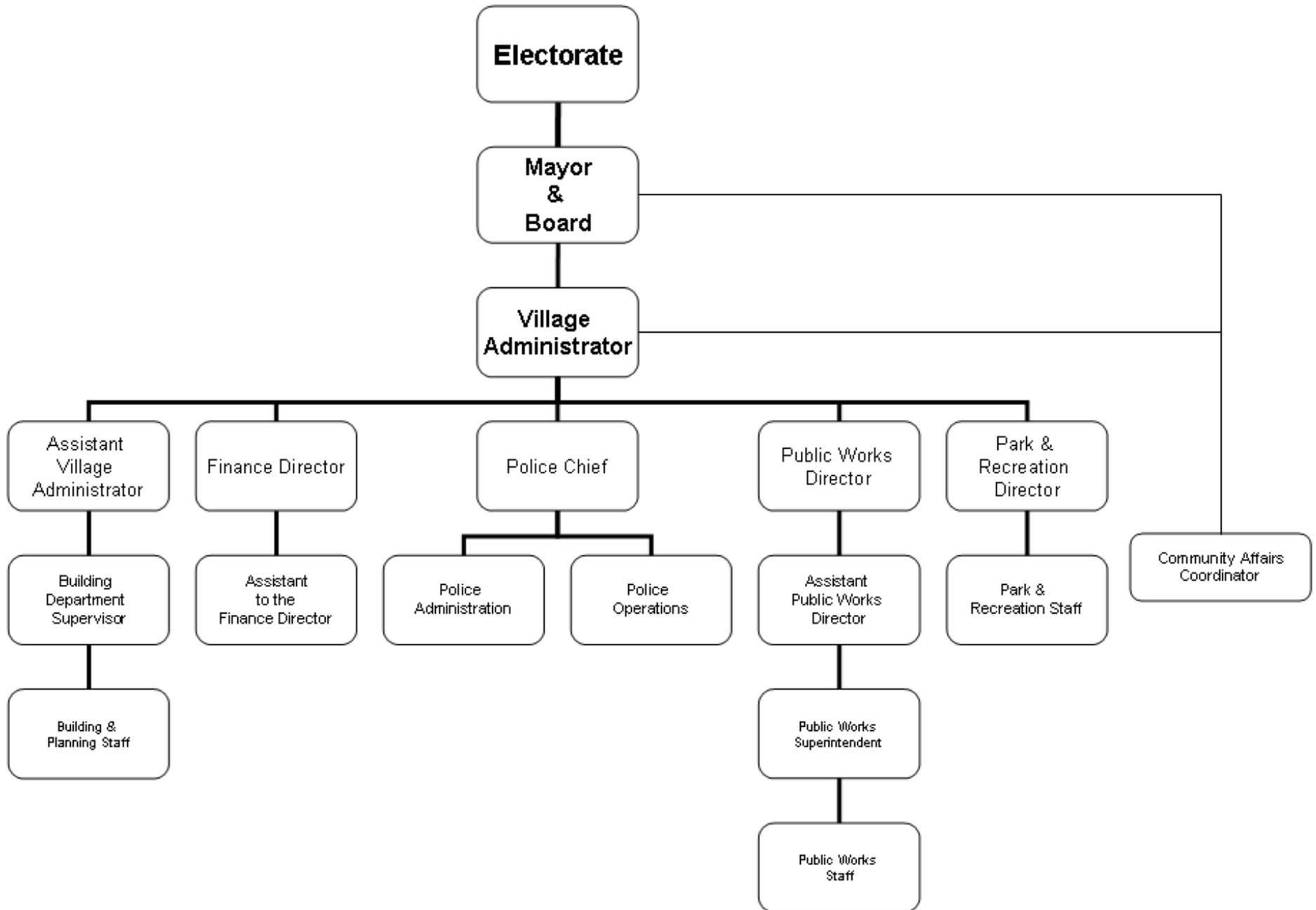
Cliff Wright

Village Clerk - Vacant

Village Administrator - Vacant

Finance Director - Vacant

Village of Hawthorn Woods
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Hawthorne Woods
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, reading "Jeffrey R. Enos", is written above the title "Executive Director".

Executive Director



2 LAGOON DRIVE - HAWTHORN WOODS, ILLINOIS 60047 - (847) 438-5500 FAX 847-438-1459

July 15, 2009

To the Honorable Mayor, Members of the Village Board, and Citizens of the Village of Hawthorn Woods:

The annual report for the Village of Hawthorn Woods, Illinois for the eight months ended December 31, 2008 is hereby submitted. The State of Illinois requires all general-purpose local governments to publish, within six months of the closing of the fiscal year, a complete set of audited financial statements presented in conformity with generally accepted auditing standards. The delay in issuing this report was due to the change in the fiscal year to a December year end from an April fiscal year end. The Village has requested an extension of the filing deadline from the State of Illinois.

Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Hawthorn Woods' management. The Village has established internal controls that are designed to protect the municipality's assets from loss, theft and misuse and to compile total and reliable information. As the cost of internal control should not exceed its benefits, the controls in place have been designed to provide reasonable, rather than absolute assurance, that the financial statements presented are free from material misstatements. To the best of our knowledge, this financial report is accurate and complete in all material aspects and fairly reflects the Village's financial position and changes in financial position of the various funds of the Village and the Village as a whole.

We are pleased to report that independent audit firm Sikich LLP has issued an unqualified opinion on the Village of Hawthorn Woods' financial statements for the eight months ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report.

Included with the financial statements is a narrative overview and analysis of the financial statements in the form of *Management Discussion and Analysis (MD&A)*. The MD&A complements this transmittal letter and should be read in conjunction with it. The financial statements include a view at the government-wide level, the fund level and are supplemented by notes to the financial statements.

Profile of the Government

The Village of Hawthorn Woods was incorporated on March 10, 1958 with a population of 141, which has since grown to 7,716. The Village covers an area of 7½ square miles and is located in Lake County, Illinois approximately 30 miles northwest of Chicago. Hawthorn Woods is an upscale, predominantly residential community that prides itself on the high quality of living it affords its residents. Hawthorn Woods has consistently ranked among the top Chicago area communities in per capita income and median home value. A relatively substantial amount of the 7½ square miles within the Village's boundaries is still undeveloped. The Village is actively pursuing means to spur the development, and is currently in the process of updating its Comprehensive Plan to guide this development.

The Village is governed by a Board consisting of a mayor and six trustees, all of who are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The board is responsible, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Mayor is elected to serve a four-year term and the trustees serve four-year staggered terms, with three Board members elected every other year.

The Chief Operating Officer is responsible for administering Board policy and the day-to-day operations of the Village, which include a wide range of services. Those services include administrative, financial, police protection, public works, planning and zoning, code enforcement, parks and recreation and cultural events.

The Village adopts a budget annually, by no later than December 31st of each year. The budget serves as the foundation for the Village's financial planning and control. The budget is prepared by each department and submitted to the Chief Operating Officer for review. It is reflected at a fund, function and activity level. After administrative review and adjustments, the budget is presented to each committee and the Village Board for final review. The Village Board holds public hearings and may add to, subtract from or change budgeted amounts.

Local Economy and Finances

The Village's main revenue stream is based on the choice location of its land and the premier value of its residential base. Property tax is a key source of revenue, but in recent years, revenue stemming from development in the form of impact fees, annexation fees, building permits, and engineering reviews have contributed a significant portion to the revenue mix.

However, the recent slowdown in the building industry has contributed significantly to a drop-off in revenue. To address the budget crisis, the Village made a series of budget cuts, including a reduction of its workforce. In addition, the Village created a new Community Development Fund to segregate one-time development related revenues and expenses from the General Fund.

Long-term Financial Planning

The budget for the twelve months ended December 31, 2009 is balanced. In addition, the Village is currently formulating the December 31, 2010 budget using an entirely new budget process and model, based upon the Government Finance Officer's Association Distinguished Budget Award requirements. The election of a new Mayor and Village Board, in addition to the newly created Chief Operating Officer position, has resulted in a fresh approach to the Village's finances. The focus for 2010 will be critically examining each line item searching for opportunities for cost savings and improved efficiencies and increasing revenues through non-property tax initiatives.

Relevant Financial Policies

The Village has several policies in place to clearly set financial parameters and guidelines. Among these include a capitalization policy, investment policy, and purchase order policy. The Village is currently in the process of reviewing and updating its Financial Policy Manual.

Major Initiatives

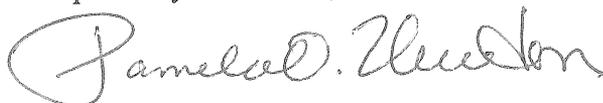
The Village is restructuring its operations to focus on cost savings realized through streamlining governmental contracts to provide efficient Village services. The Village is also working to expand recreational facilities at no cost to the Village through a public/private partnership. In addition, there are several residential developments under consideration including a golf course community and a diversified housing stock community centered around an equestrian center.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hawthorn Woods for its comprehensive annual report for the fiscal year ended April 30, 2008. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

Respectfully Submitted,



Pamela Newton
Chief Operating Officer



Kristin Kazenas
Director of Finance

FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

INDEPENDENT AUDITOR'S REPORT

The Honorable Village Mayor
Members of the Board of Trustees
Village of Hawthorn Woods
Hawthorn Woods, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois (the Village), as of and for the eight months ended December 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Hawthorn Woods, Illinois. 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 introductory and statistical sections listed in the table of contents were not audited by us and, accordingly, we express no opinion thereon.

A handwritten signature in black ink that reads "Seuch LLP". The signature is written in a cursive, slightly stylized font.

Aurora, Illinois
July 15, 2009

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

Our discussion and analysis of the Village of Hawthorn Wood's financial performance provides an overview of the Village's financial activities for the eight months ended December 31, 2008. Please read it in conjunction with the transmittal letter, which begins on page iv and the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village changed fiscal years from April 30 to December 31 during the current period. Therefore, this annual report reflects financial information for the eight months ended December 31, 2008.
- The Village's total net assets were \$20,633,965 as of December 31, 2008.. Unrestricted net assets (net assets used to meet ongoing operations) totaled \$710,187. Restricted net assets totaled \$5,084,638 and net assets invested in capital assets, net of related debt totaled \$14,839,140.
- The Village's net assets decreased as a result of this year's operations. While net assets of business-type activities decreased by \$179,462, or 6.0 percent, net assets of the governmental activities decreased by \$36,942, or 0.2 percent. This represents a significant improvement over the prior year.
- Capital assets net of depreciation totaled \$17,645,610 as of December 31, 2008, a decrease of \$451,104, due primarily to the current year depreciation expense of \$454,769 which was partially offset by capital asset additions of \$3,665. Capital asset additions were minimal during the current fiscal period due to the planned delay of capital expenditures to address budget shortfalls related to the economic downturn.
- During the year, the Village issued \$104,883 of installment contracts for vehicle purchases.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 - 5) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 42. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 5 of this report.

The Statement of Net Assets reports information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, are needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, building and zoning, public safety, public works, and parks and recreation. The business-type activities of the Village include aquatics operations.

Fund Financial Statements

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

Governmental Funds

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks and Recreation Fund, Motor Fuel Tax Fund, Community Development Fund, Special Service Area #1 Project Fund, Special Service Area #2 Project Fund, Special Service Area #3 Project Fund, and the Special Service Area #4 Project Fund, all of which are considered major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds, except the Connection Fees nonmajor special revenue fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its aquatics operations.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Aquatics Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 12 - 15 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 16 - 17 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 - 41 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 Village's I.M.R.F. and police employee pension obligations. Required supplementary information can be found on pages 42 - 51 of this report. Budgetary comparison schedules for the General Fund, Parks and Recreation Fund, Motor Fuel Tax Fund and Community Development Fund are also presented in the required supplementary information and can be found on pages 42 - 45. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52 - 77 of this report.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Hawthorn Woods, assets exceeded liabilities by \$20,633,695.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008
Current and Other Assets	\$ 7,980,625	\$ 8,480,642	\$ 555,955	\$ 1,057,612	\$ 8,536,580	\$ 9,538,254
Capital Assets	12,575,242	12,919,274	5,070,368	5,177,440	17,645,610	18,096,714
Total Assets	<u>20,555,867</u>	<u>21,399,916</u>	<u>5,626,323</u>	<u>6,235,052</u>	<u>26,182,190</u>	<u>27,634,968</u>
Long-Term Debt	471,741	309,467	2,830,241	2,832,393	3,301,982	3,141,860
Other Liabilities	2,243,151	3,212,532	3,092	430,207	2,246,243	3,642,739
Total Liabilities	<u>2,714,892</u>	<u>3,521,999</u>	<u>2,833,333</u>	<u>3,262,600</u>	<u>5,548,225</u>	<u>6,784,599</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	12,473,431	12,816,465	2,365,709	2,345,316	14,839,140	15,161,781
Restricted	4,633,442	5,226,866	451,196	447,431	5,084,638	5,674,297
Unrestricted (Deficit)	<u>734,102</u>	<u>(165,414)</u>	<u>(23,915)</u>	<u>179,705</u>	<u>710,187</u>	<u>14,291</u>
Total Net Assets	<u>\$ 17,840,975</u>	<u>\$ 17,877,917</u>	<u>\$ 2,792,990</u>	<u>\$ 2,972,452</u>	<u>\$ 20,633,965</u>	<u>\$ 20,850,369</u>

A large portion of the Village's net assets, \$14,839,140 or 71.9 percent, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$5,084,638 or 24.6 percent, of the Village's net assets represents resources that are subject to external restrictions on how they may be used. As of December 31, 2008, the Village is reporting net assets of \$710,187. Unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008
Revenues						
Program Revenues						
Charges for Services	\$ 558,775	\$ 2,040,640	\$ 240,828	\$ 243,291	\$ 799,603	\$ 2,283,931
Operating Grants/Contrib.	143,742	211,771	-	-	143,742	211,771
Capital Grants/Contrib.	-	8,829	-	-	-	8,829
General Revenues						
Property Taxes	1,573,980	1,457,956	-	-	1,573,980	1,457,956
Road and Bridge Taxes	26,044	24,253	-	-	26,044	24,253
Sales Taxes	99,675	134,837	-	-	99,675	134,837
Income and Use Taxes	542,330	685,653	-	-	542,330	685,653
Replacement Taxes	1,190	1,996	-	-	1,190	1,996
Telecommunication Taxes	33,390	47,303	-	-	33,390	47,303
Other General Revenues	1,267,080	1,584,880	18,634	62,198	1,285,714	1,647,078
Total Revenues	4,246,206	6,198,118	259,462	305,489	4,505,668	6,503,607
Expenses						
General Government	671,138	934,205	-	-	671,138	934,205
Building and Zoning	215,819	1,364,665	-	-	215,819	1,364,665
Public Safety	1,042,970	1,820,217	-	-	1,042,970	1,820,217
Public Works	2,099,964	5,089,875	-	-	2,099,964	5,089,875
Parks and Recreation	245,056	348,662	-	-	245,056	348,662
Interest on Long-Term Debt	8,201	1,393	-	-	8,201	1,393
Aquatics	-	-	438,924	1,048,951	438,924	1,048,951
Total Expenses	4,283,148	9,559,017	438,924	1,048,951	4,722,072	10,607,968
Change in Net Assets Before Transfers	(36,942)	(3,360,899)	(179,462)	(743,462)	(216,404)	(4,104,361)
Transfers	-	-	-	-	-	-
Change in Net Assets	(36,942)	(3,360,899)	(179,462)	(743,462)	(216,404)	(4,104,361)
Net Assets-Beginning as Restated	17,877,917	21,238,816	2,972,452	3,715,914	20,850,369	24,954,730
Net Assets-Ending	\$ 17,840,975	\$ 17,877,917	\$ 2,792,990	\$ 2,972,452	\$ 20,633,965	\$ 20,850,369

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

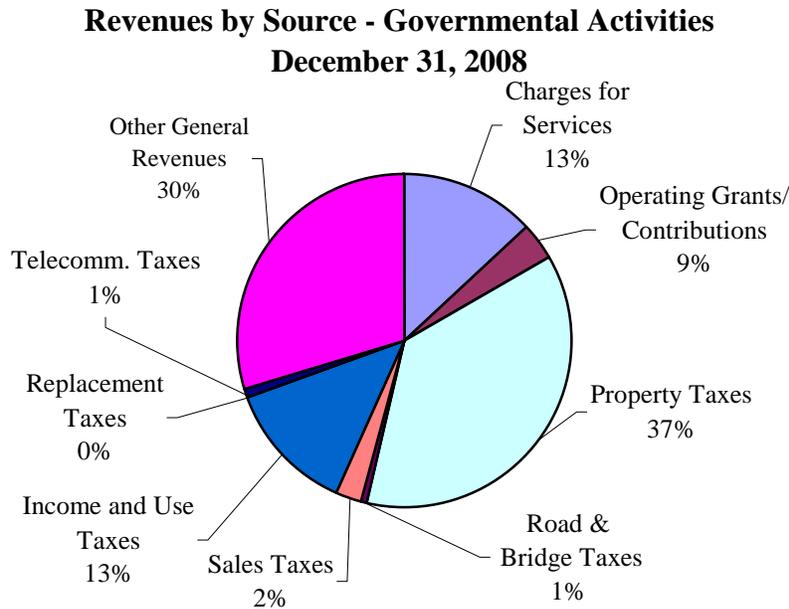
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net assets of the Village's governmental activities decreased by 0.2 percent (\$17,840,975 as of December 31, 2008 compared to \$17,877,917 as of April 30, 2008). The \$36,942 decrease in governmental activities net assets is a significant improvement over the prior year decrease of \$3,360,899 as a result of budget cuts due to the economic downturn.

Net assets of business-type activities decreased by 6.0 percent (\$2,972,452 as of December 31, 2008 compared to \$2,792,990 as of April 30, 2008). The \$179,462 decrease in business-type activities net assets is attributable in large part to depreciation expense of \$108,453 for improvements to the aquatics center. The construction of the Aquatic Center was completed in the last fiscal year, so the eight months ended December 31, 2008 represent the first full year of operations and depreciation expense on the capital assets.

Governmental Activities

Revenues for governmental activities totaled \$4,246,206, while the cost of all governmental functions totaled \$4,283,148. This results in a decrease in net assets of \$36,942. For the fiscal year ended April 30, 2008, revenues of \$6,198,118 were less than expenses of \$9,559,017, resulting in a decrease in net assets of \$3,360,889. This decrease was due primarily to increased street maintenance activity in the four Special Service Area capital projects funds. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, utility taxes and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes.



VILLAGE OF HAWTHORN WOODS, ILLINOIS

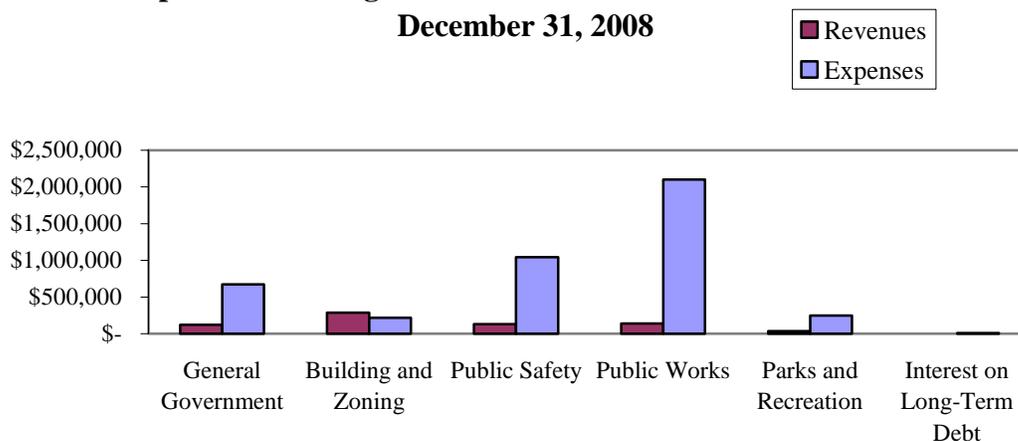
Management's Discussion and Analysis December 31, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

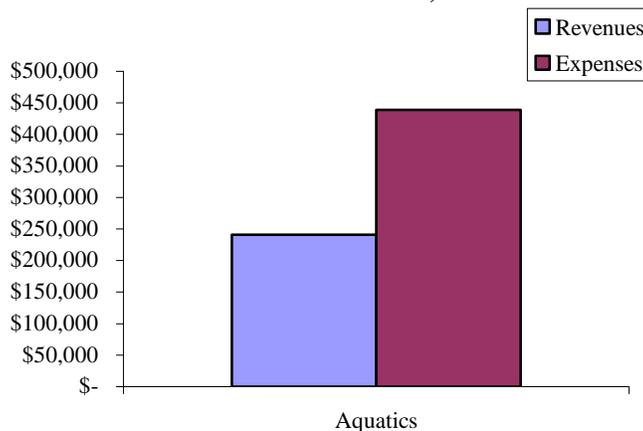
**Expenses and Program Revenues - Governmental Activities
December 31, 2008**



Business-Type activities

Business-Type activities posted total revenues of \$259,462, while the cost of all business-type activities totaled \$438,924. This results in a decrease in net assets of \$179,462. As stated earlier, this decrease is attributable to the depreciation expense and operations related to the first year of operations of the aquatic center facility. For the fiscal year ended April 30, 2008, revenues of \$305,489 were less than expenses of \$1,048,951, resulting in a decrease in net assets of \$743,462. This decrease is attributable to the construction activity and related expenses for improvements made to the aquatic center.

**Expenses and Program Revenues - Business-Type
Activities December 31, 2008**



The above graph compares program revenues to expenses for business-type activities.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$5,737,474, which is \$358,721, or 6.7 percent, higher than last year's total of \$5,378,753. Of the \$5,737,474 total, \$1,076,383, or approximately 18.8 percent, of the fund balance constitutes unreserved fund balance. The largest portion of the Village's fund balance reflects reserves for highways and streets in the Motor Fuel Tax Fund of \$669,633 and reserves for capital improvements in the Special Service Area #1, #2, #3, and #4 Funds of \$3,657,246. The Parks and Recreation Fund also reports a reserve for capital improvements of \$278,461.

The General Fund reported a decrease in fund balance for the eight months ended December 31, 2008 of \$380,550, a decrease of 69.1 percent. The major contributor to the decrease in fund balance was a transfer made to fund the Special Service Area #3 Fund in the amount of \$684,710 and a transfer made to the Community Development Fund in the amount of \$99,430. This was \$554,140 higher than the budgeted transfers out of \$230,000 and was partially offset by installment contract proceeds of \$104,883.

The Parks and Recreation capital projects fund is used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks. These funds are reserved for future capital improvements and debt service payments on the Aquatic Center Bonds. The Parks and Recreation Fund reported an increase in fund balance in the current year of \$62,810 due to deferred capital outlay (budgeted at \$25,000, compared to an actual of \$2,284). Ending fund balance at December 31, 2008 was \$278,461.

The Motor Fuel Tax special revenue fund is used to account for state motor fuel tax allotment revenue and expenditures related to road repair and construction. These funds are reserved for road repair and construction. The Motor Fuel Tax Fund reported an increase in fund balance in the current year of \$145,372 due to zero expenditures in the fund during the current fiscal period. The motor fuel tax funds have been designated for the completion of the Special Service Area #1, #2 and #3 road construction project during the following fiscal year. Ending fund balance at December 31, 2008 was \$669,633.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The Community Development special revenue fund is used to account for nonrecurring revenue sources such as developer donations, building permits, and contractor licenses. This is a new fund in the current fiscal period; in prior years this activity was included in the General Fund. The Community Development Fund reported an increase in fund balance in the current year of \$356,806 due primarily to license, permit and fees revenue being higher than budget by \$285,133. Ending fund balance at December 31, 2008 was \$356,806.

The Special Service Area #1, #2, #3, and #4 Funds reported changes in fund balance in the current year of (\$273,525), (\$550,912), \$981,845, and (\$5,271), respectively. These four capital projects funds report the expenditures related to non-commitment bond proceeds to be used for street maintenance repairs (Special Service Areas #1, #2 and #3) and sewer improvements (SSA #4). With the exception of Special Service Area #3, these funds reported increases in expenditures that were not offset by revenues from investment earnings and transfers. Special Service Area #3 reported an increase in fund balance due to transfers in of \$2,346,376 compared to budgeted transfers in of \$1,681,632. The road maintenance program for the current fiscal year was performed entirely in Special Service Area #3.

Proprietary Funds

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

The Village reports the Aquatics Fund as a major proprietary fund. The Aquatics Fund accounts for the activities of the water park operations. This fund is comprised of four sub funds which are used to segregate resources for operations and maintenance, capital improvements, and debt service.

The decrease in net assets in the Aquatics Fund during the current fiscal year was \$179,462, while the previous fiscal year reported a decrease in net assets of \$743,462. As stated earlier, the decrease in net assets in the Aquatics Fund in the current year is attributable primarily to depreciation expense for improvements made to the aquatics center. During the current year, the Construction sub fund was closed, as construction of the facility was completed. Unrestricted net assets (deficit) in the Aquatics Fund totaled (\$23,915) at December 31, 2008.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made one budget amendment to the General Fund during the year, to increase police overtime from \$28,564 to \$45,064. General Fund actual revenues for the year totaled \$2,629,219, compared to budgeted revenues of \$2,621,943. The positive variance of \$7,276 was due to positive variances in tax revenues (\$77,163 higher than budgeted), license permits and fees revenues (\$47,642 higher than budgeted) being offset by negative variances in fee revenues (\$89,217 less than budgeted), investment income (\$21,994 less than budgeted) and miscellaneous revenues (\$12,770 less than budgeted.)

The General Fund actual expenditures for the year were \$74,469 lower than budgeted (\$2,385,981 actual compared to a final budget of \$2,460,450). The general government, building and zoning, public safety, public works, and parks and recreation functions all reported actual expenditures that were lower than budgeted. Some significant differences between the actual expenditures and budgeted expenditures are highlighted below:

- The police function reported actual salaries of \$467,430 compared to budget of \$490,964 due to staff reductions. However, actual overtime was \$69,176 compared to an original budget of \$28,5564 which necessitated a budget amendment as discussed above resulting in a final budget of \$45,064.
- The public works function reported actual salaries of \$156,673, with budgeted salaries of \$181,107 due to staff reductions. Positive variances compared to budget were also experienced in the salary related line items of IMRF, Health insurance and FICA matching. However, there was a related negative variance in Overtime (\$8,676 actual compared to budgeted Overtime of \$5,000).
- The debt service function reported actual expenditures of \$114,082 compared to budgeted expenditures of \$20,000. This was due to the refinancing of an installment contract for the purchase of public works equipment and was offset by the installment contract proceeds revenue related to the refinancing.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2008**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village’s investment in capital assets for its governmental and business type activities as of December 31, 2008 was \$17,645,610 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and equipment and vehicles.

	Capital Assets - Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008
Land	\$ 6,557,081	\$ 6,557,081	\$ 417,459	\$ 417,459	\$ 6,974,540	\$ 6,974,540
Construction in Progress		-		-	-	-
Buildings and Improvements	5,151,687	5,333,783	4,631,150	4,735,324	9,782,837	10,069,107
Equipment and Vehicles	866,474	1,028,410	21,759	24,657	888,233	1,053,067
Total	\$ 12,575,242	\$ 12,919,274	\$ 5,070,368	\$ 5,177,440	\$ 17,645,610	\$ 18,096,714

This capital asset additions were minimal for the eight months ended December 31, 2008 due to a planned delay of capital purchases due to the budget cuts. Capital additions were as follows:

Governmental Activities	
Equipment and Vehicles	<u>\$ 2,284</u>
Business-Type Activities	
Buildings and Improvements	<u>\$ 1,381</u>

Additional information on the Village’s capital assets can be found in note 4 on pages 29- 30 of this report.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2008

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$2,906,811 as compared to \$2,907,809 the previous year, due to the refinance of installment contracts for vehicle purchases. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008	Eight Months Ended 12/31/2008	Fiscal Year Ended 4/30/2008
Revenue Bonds	\$ -	\$ -	\$ 2,805,000	\$ 2,805,000	\$ 2,805,000	\$ 2,805,000
Installment Contracts	101,811	102,809	-	-	101,811	102,809
Total	\$ 101,811	\$ 102,809	\$ 2,805,000	\$ 2,805,000	\$ 2,906,811	\$ 2,907,809

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$42,593,870.

Additional information on the Village's long-term debt can be found in Note 5 on pages 30 - 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the eight months ended December 31, 2008 and twelve months ended December 31, 2009 budgets, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Rising unemployment rates and CPI indices were taken into consideration when setting the budget, rates, and fees for the eight months ended December 31, 2008 and twelve months ended December 31, 2009.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Kristin N. Kazenas, CPA, Director of Finance, Village of Hawthorn Woods, 2 Lagoon Drive, Hawthorn Woods, Illinois 60047.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 6,066,203	\$ 494,465	\$ 6,560,668
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,624,641	-	1,624,641
Accounts	109,068	-	109,068
Court fines	17,888	-	17,888
Prepaid expense	27,649	-	27,649
Due from other governments			
Sales tax	27,520	-	27,520
Use tax	29,128	-	29,128
Income tax	32,885	-	32,885
Franchise tax	27,844	-	27,844
Telecommunication	12,222	-	12,222
Motor fuel tax	18,272	-	18,272
Due from other funds	(12,695)	12,695	-
Unamortized issuance costs	-	48,795	48,795
Capital assets not being depreciated	6,557,081	417,459	6,974,540
Capital assets (net of accumulated depreciation)	6,018,161	4,652,909	10,671,070
Total assets	20,555,867	5,626,323	26,182,190
LIABILITIES			
Accounts payable	184,441	1,709	186,150
Wages payable	42,187	1,224	43,411
Retainage payable	30,914	-	30,914
Deposits payable	358,216	159	358,375
Due to fiduciary fund	2,752	-	2,752
Unearned revenue	1,624,641	-	1,624,641
Long-term liabilities			
Due within one year	21,828	125,116	146,944
Due in more than one year	449,913	2,705,125	3,155,038
Total liabilities	2,714,892	2,833,333	5,548,225
NET ASSETS			
Invested in capital assets, net of related debt	12,473,431	2,365,709	14,839,140
Restricted for			
Highways and streets	669,633	-	669,633
Capital improvements	3,935,707	-	3,935,707
Restricted tax levies	28,102	-	28,102
Debt service	-	451,196	451,196
Unrestricted (deficit)	734,102	(23,915)	710,187
TOTAL NET ASSETS	\$ 17,840,975	\$ 2,792,990	\$ 20,633,965

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Eight Months Ended December 31, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 671,138	\$ 120,698	\$ -	\$ -
Building and zoning	215,819	283,861	-	-
Public safety	1,042,970	121,431	6,452	-
Public works	2,099,964	-	137,290	-
Parks and recreation	245,056	32,785	-	-
Interest	8,201	-	-	-
Total governmental activities	4,283,148	558,775	143,742	-
Business-Type Activities				
Aquatics	438,924	240,828	-	-
Total business-type activities	438,924	240,828	-	-
TOTAL PRIMARY GOVERNMENT	\$ 4,722,072	\$ 799,603	\$ 143,742	\$ -

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (550,440)	\$ -	\$ (550,440)
	68,042	-	68,042
	(915,087)	-	(915,087)
	(1,962,674)	-	(1,962,674)
	(212,271)	-	(212,271)
	(8,201)	-	(8,201)
	<u>(3,580,631)</u>	<u>-</u>	<u>(3,580,631)</u>
	-	(198,096)	(198,096)
	-	(198,096)	(198,096)
	<u>(3,580,631)</u>	<u>(198,096)</u>	<u>(3,778,727)</u>
General Revenues			
Taxes			
Property	1,573,980	-	1,573,980
Road and bridge	26,044	-	26,044
Sales	99,675	-	99,675
Use	78,486	-	78,486
Income	463,844	-	463,844
Replacement	1,190	-	1,190
Telecommunication	33,390	-	33,390
Investment income	123,855	11,846	135,701
Miscellaneous	1,143,225	6,788	1,150,013
Total	<u>3,543,689</u>	<u>18,634</u>	<u>3,562,323</u>
CHANGE IN NET ASSETS	(36,942)	(179,462)	(216,404)
NET ASSETS, MAY 1	<u>17,877,917</u>	<u>2,972,452</u>	<u>20,850,369</u>
NET ASSETS, DECEMBER 31	<u>\$ 17,840,975</u>	<u>\$ 2,792,990</u>	<u>\$ 20,633,965</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2008

	General	Parks and Recreation	Motor Fuel Tax	Community Development	Special Service Area #1 Project
ASSETS					
Cash and investments	\$ 605,809	\$ 278,461	\$ 651,361	\$ 618,321	\$ 246,652
Receivables					
Property taxes	1,624,641	-	-	-	-
Accounts	-	-	-	109,068	-
Court fines	17,888	-	-	-	-
Prepaid items	27,649	-	-	-	-
Due from other governments					
Municipal sales tax	27,520	-	-	-	-
Illinois use tax	29,128	-	-	-	-
Illinois income tax	32,885	-	-	-	-
Franchise tax	27,844	-	-	-	-
Telecommunication tax	12,222	-	-	-	-
Motor fuel tax	-	-	18,272	-	-
Due from other funds	37,134	-	-	-	38,063
TOTAL ASSETS	\$ 2,442,720	\$ 278,461	\$ 669,633	\$ 727,389	\$ 284,715
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 159,499	\$ -	\$ -	\$ 8,519	\$ 750
Wages payable	42,187	-	-	-	-
Retainage payable	30,914	-	-	-	-
Deposits payable	358,216	-	-	-	-
Due to other funds	54,629	-	-	362,064	12,110
Due to fiduciary fund	2,752	-	-	-	-
Deferred property taxes	1,624,641	-	-	-	-
Total liabilities	2,272,838	-	-	370,583	12,860
FUND BALANCES					
Reserved for prepaid items	27,649	-	-	-	-
Reserved for highways and streets	-	-	669,633	-	-
Reserved for capital improvements	-	278,461	-	-	271,855
Reserved for restricted tax levies	28,102	-	-	-	-
Unreserved (deficit)					
Special Revenue Funds	-	-	-	356,806	-
Capital Projects Funds	-	-	-	-	-
General Fund	114,131	-	-	-	-
Total fund balances	169,882	278,461	669,633	356,806	271,855
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,442,720	\$ 278,461	\$ 669,633	\$ 727,389	\$ 284,715

Special Service Area #2 Project	Special Service Area #3 Project	Special Service Area #4 Project	Nonmajor Governmental	Total Governmental Funds
\$ 333,390	\$ 215,569	\$ 3,027,721	\$ 88,919	\$ 6,066,203
-	-	-	-	1,624,641
-	-	-	-	109,068
-	-	-	-	17,888
-	-	-	-	27,649
-	-	-	-	27,520
-	-	-	-	29,128
-	-	-	-	32,885
-	-	-	-	27,844
-	-	-	-	12,222
-	-	-	-	18,272
25,977	374,442	4,800	-	480,416
\$ 359,367	\$ 590,011	\$ 3,032,521	\$ 88,919	\$ 8,473,736
\$ 750	\$ 9,200	\$ 5,723	\$ -	\$ 184,441
-	-	-	-	42,187
-	-	-	-	30,914
-	-	-	-	358,216
24	64,284	-	-	493,111
-	-	-	-	2,752
-	-	-	-	1,624,641
774	73,484	5,723	-	2,736,262
-	-	-	-	27,649
-	-	-	-	669,633
358,593	-	3,026,798	-	3,935,707
-	-	-	-	28,102
-	-	-	88,919	445,725
-	516,527	-	-	516,527
-	-	-	-	114,131
358,593	516,527	3,026,798	88,919	5,737,474
\$ 359,367	\$ 590,011	\$ 3,032,521	\$ 88,919	\$ 8,473,736

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

December 31, 2008

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,737,474
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	12,575,242
Long-term liabilities (installment contracts) are not due and payable in the current period and, therefore, not reported in the governmental funds	(101,811)
The net pension obligation is shown as a liability on the statement of net assets	(323,616)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	<u>(46,314)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 17,840,975</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	General	Parks and Recreation	Motor Fuel Tax	Community Development	Special Service Area #1 Project
REVENUES					
Taxes	\$ 2,276,609	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	250,587	-	-	285,133	-
Intergovernmental	6,452	-	137,290	-	-
Investment income	33,591	3,650	8,082	4,533	6,353
Miscellaneous	61,980	65,954	-	1,017,346	-
Total revenues	2,629,219	69,604	145,372	1,307,012	6,353
EXPENDITURES					
Current					
General government	654,730	-	-	-	-
Building and zoning	56,652	-	-	159,167	-
Public safety	926,758	-	-	-	-
Public works	586,293	-	-	-	6,545
Parks and recreation	47,466	4,510	-	-	-
Capital outlay	-	2,284	-	-	-
Debt service					
Principal	105,881	-	-	-	-
Interest and fiscal charges	8,201	-	-	-	-
Total expenditures	2,385,981	6,794	-	159,167	6,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	243,238	62,810	145,372	1,147,845	(192)
OTHER FINANCING SOURCES (USES)					
Transfers in	55,469	-	-	99,430	-
Transfers (out)	(784,140)	-	-	(890,469)	(273,333)
Installment contract issued, at par	104,883	-	-	-	-
Total other financing sources (uses)	(623,788)	-	-	(791,039)	(273,333)
NET CHANGE IN FUND BALANCES	(380,550)	62,810	145,372	356,806	(273,525)
FUND BALANCES (DEFICIT), MAY 1	550,432	215,651	524,261	-	545,380
FUND BALANCES, DECEMBER 31	\$ 169,882	\$ 278,461	\$ 669,633	\$ 356,806	\$ 271,855

Special Service Area #2 Project	Special Service Area #3 Project	Special Service Area #4 Project	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,276,609
-	-	-	-	535,720
-	-	-	-	143,742
8,887	4,933	52,680	1,146	123,855
-	-	-	21,000	1,166,280
8,887	4,933	52,680	22,146	4,246,206
-	-	-	-	654,730
-	-	-	-	215,819
-	-	-	-	926,758
6,466	1,369,464	57,951	-	2,026,719
-	-	-	-	51,976
-	-	-	-	2,284
-	-	-	-	105,881
-	-	-	-	8,201
6,466	1,369,464	57,951	-	3,992,368
2,421	(1,364,531)	(5,271)	22,146	253,838
-	2,346,376	-	-	2,501,275
(553,333)	-	-	-	(2,501,275)
-	-	-	-	104,883
(553,333)	2,346,376	-	-	104,883
(550,912)	981,845	(5,271)	22,146	358,721
909,505	(465,318)	3,032,069	66,773	5,378,753
\$ 358,593	\$ 516,527	\$ 3,026,798	\$ 88,919	\$ 5,737,474

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, 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 Eight Months Ended December 31, 2008

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 358,721
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,284
Principal paid on installment contracts is an expenditure in the governmental funds but is a decrease in the principal outstanding on the statement of net assets	105,881
Issuance of installment contract is an other financing source in the governmental funds but an increase in the principal outstanding on the statement of net assets	(104,883)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(346,316)
The change in the net pension obligation is shown as an addition to expense on the statement of activities	(45,484)
The change in compensated absences payable is shown as a reduction in expense on the statement of activities	<u>(7,145)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (36,942)</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

December 31, 2008

	<u>Aquatics Fund</u>
CURRENT ASSETS	
Cash and investments	\$ 494,465
Due from other funds	<u>12,695</u>
Total current assets	<u>507,160</u>
NONCURRENT ASSETS	
Unamortized issuance costs	48,795
Capital assets	
Capital assets not being depreciated	417,459
Capital assets being depreciated, net	<u>4,652,909</u>
Net capital assets	<u>5,070,368</u>
Total noncurrent assets	<u>5,119,163</u>
Total assets	<u>5,626,323</u>
CURRENT LIABILITIES	
Accounts payable	1,709
Wages payable	1,224
Deposits payable	159
Compensated absences payable	116
Revenue bonds payable	<u>125,000</u>
Total current liabilities	<u>128,208</u>
NONCURRENT LIABILITIES	
Compensated absences payable	466
Net revenue bonds payable	<u>2,704,659</u>
Total noncurrent liabilities	<u>2,705,125</u>
Total liabilities	<u>2,833,333</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,365,709
Restricted for debt service	451,196
Unrestricted (deficit)	<u>(23,915)</u>
TOTAL NET ASSETS	<u><u>\$ 2,792,990</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Eight Months Ended December 31, 2008

	<u>Aquatics Fund</u>
OPERATING REVENUES	
Charges for service	\$ 240,828
Total operating revenues	<u>240,828</u>
OPERATING EXPENSES	
Personnel services	110,778
Contractual services	112,542
Commodities	18,100
Maintenance	226
Depreciation	<u>108,453</u>
Total operating expenses	<u>350,099</u>
OPERATING INCOME (LOSS)	<u>(109,271)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	11,846
Miscellaneous	6,788
Interest expense	<u>(88,825)</u>
Total nonoperating revenues (expenses)	<u>(70,191)</u>
CHANGE IN NET ASSETS	(179,462)
NET ASSETS, MAY 1	<u>2,972,452</u>
NET ASSETS, DECEMBER 31	<u><u>\$ 2,792,990</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Eight Months Ended December 31, 2008

	<u>Aquatics Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 196,311
Payments to suppliers	(495,390)
Payments to employees	<u>(111,359)</u>
Net cash from operating activities	<u>(410,438)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous nonoperating receipts	<u>6,788</u>
Net cash from noncapital financing activities	<u>6,788</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(1,381)
Interest paid	<u>(133,238)</u>
Net cash from capital and related financing activities	<u>(134,619)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>11,846</u>
Net cash from investing activities	<u>11,846</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(526,423)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,020,888</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 494,465</u>
CASH AND INVESTMENTS	
Cash and cash equivalents	\$ 494,465
Investments	<u>-</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 494,465</u>

(This statement is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Eight Months Ended December 31, 2008

	<u>Aquatics Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (109,271)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Increase (decrease) in	
Depreciation and amortization	110,868
Accounts payable	(337,291)
Due to other funds	(29,646)
Deposits payable	34
Unearned revenue	(44,392)
Wages payable	(740)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (410,438)</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2008

	Pension Trust	Agency Funds
ASSETS		
Cash and short-term investments	\$ 205,139	\$ 256,633
Investments		
Certificates of deposit	912,209	-
Receivables		
Accrued interest	-	-
Due from other funds	2,752	-
	<u>1,120,100</u>	<u>\$ 256,633</u>
Total assets		
LIABILITIES		
Accounts payable	500	\$ -
Due to others	-	256,633
	<u>500</u>	<u>\$ 256,633</u>
Total liabilities		
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 1,119,600</u>	

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND

For the Eight Months Ended December 31, 2008

	<u>Police Pension</u>
ADDITIONS	
Contributions	
Employer	\$ 110,048
Employee	<u>44,867</u>
Total contributions	<u>154,915</u>
Investment income	
Interest	<u>27,318</u>
Total investment income	<u>27,318</u>
Total additions	<u>182,233</u>
DEDUCTIONS	
Benefits and refunds	52,236
Administration	<u>2,146</u>
Total deductions	<u>54,382</u>
NET INCREASE	127,851
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>991,749</u>
December 31	<u><u>\$ 1,119,600</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hawthorn Woods, Illinois (the Village) have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by a Village Mayor and six trustees using the village board administrator form of government. As required by generally accepted accounting principles, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary fund due to the fiduciary responsibility exercised over the Police Pension Fund.

b. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). However, the Village has no internal service funds. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity. The Village utilizes agency funds to account for funds received and reserved for debt service on the special service area (noncommitment) debt.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Parks and Recreation Fund is used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks.

The Motor Fuel Tax Fund is used to account for state motor fuel tax allotment revenue and expenditures related to road repair and construction.

The Community Development Fund is used to account for nonrecurring revenue sources such as developer donations, building permits, and contractor licenses. Reimbursable revenues and expenditures are also recorded in this fund.

The Special Service Area #1 Project Fund is used to account for expenditures of the special service area #1 bond proceeds. These no commitment bonds were issued during the year ended April 30, 2004.

The Special Service Area #2 Project Fund is used to account for expenditures of the special service area #2 bond proceeds. These no commitment bonds were issued during the year ended April 30, 2004.

The Special Service Area #3 Project Fund is used to account for expenditures of the special service area #3 bond proceeds. These no commitment bonds were issued during the year ended April 30, 2004.

The Special Service Area #4 Project Fund is used to account for expenditures of the special service area #4 bond proceeds. These no commitment bonds were issued during the year ended April 30, 2007.

The Village reports the following major proprietary fund:

The Aquatics Fund accounts for the activities of the water park operations. This fund is comprised of four sub funds which are used to segregate resources for operations and maintenance, capital improvements and debt service.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. Additionally, the Village reports the Special Service Area funds responsible for noncommitment debt repayment as agency funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (except the agency funds which have no measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village recognizes property taxes when they become both measurable and available in the period the tax is 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, court fines, franchise fees, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Local fines, licenses and permit revenue and miscellaneous revenues are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, 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 Village has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and investments with a maturity date of three months or less from the date acquired by the Village.

f. Investments

Investments with a maturity less than one year when purchased are stated at cost or amortized cost. Investments with a maturity of one year or greater when purchased are reported at fair value. All investments of the pension trust fund are reported at fair value.

g. Prepaid Items/Expenses

Payments made to vendors for services, if any, that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

h. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Buildings and improvements	\$ 1,000
Equipment and vehicles	1,000

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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.

The costs of normal maintenance and repairs, including street overlays 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>Years</u>
Buildings	45
Improvements	20
Equipment	10
Vehicles - public safety	3
Vehicles - public works	10
Furniture	7
Office equipment	5

i. Compensated Absences

Vested or accumulated vacation leave is 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 leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

j. Long-Term Obligations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

k. Net Assets/Fund Balance

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, if any, 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. None of the Village's restricted net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt, represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

l. Interfund Transactions

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

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

m. Interfund Receivables/Payables

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

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

a. Village

State statutes authorize the Village to make deposits in commercial banks and savings and loan institutions, and to make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts and mutual funds and equity securities.

In addition, the Village's Board of Trustees has adopted an investment policy which provides further guidance on the investment of Village funds. It is the policy of the Village to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; safety of principal, liquidity and return on investment. Investment in derivatives is not discussed in the Village investment policy. The Village allows all investments permitted under Illinois Compiled Statutes.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held under the guidelines of the Village's written collateral agreement.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2008:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
Money market mutual funds	\$ 150,497	\$ 150,497	\$ -	\$ -	\$ -
Illinois Funds	1,086,334	1,086,334	-	-	-
TOTAL	\$ 1,236,831	\$ 1,236,831	\$ -	\$ -	\$ -

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village (Continued)

Investments (Continued)

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to meet daily cash flow requirements for ongoing operations in order to maximize yield on longer term investments by avoiding having to sell securities on the open market before maturity and by investing operating funds in shorter term securities, money market mutual funds or external investment pools. The Village's investment policy requires that securities purchased will not have a maturity of more than one year unless matched to a specific cash flow.

The Village does not have a formal policy regarding credit risk. However, the Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in certificates of deposit. The money market mutual funds and Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party custodian approved by the Village Treasurer and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Village has too high a percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk. The Village investment policy states that no financial institution shall hold more than 50% of the total investments of the Village except for U.S. Treasury securities, collateralized pools and collateralized certificates of deposit. At December 31, 2008, the Village had greater than five percent of its overall portfolio invested in money market mutual funds and Illinois Funds, which is allowed by the Village's investment policy.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund

In accordance with the Police Pension Fund's investment policy, the Police Pension Fund may invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are; safety of principal, return on investment, legality and meeting all funding requirements.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. At December 31, 2008, all of the Police Pension Fund's bank balances were collateralized in accordance with their investment policy.

Investments

At December 31, 2008, the Police Pension Fund had no investments in debt securities.

The Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to maximize the security of investments and the rate of return. This is accomplished by diversifying the types and maturity ranges of securities.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing primarily in certificates of deposit.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund primarily invests in certificates of deposit.

Concentration of credit risk is the risk that the Police Pension Fund has too high a percentage of their investments invested in one type of investment. The Police Pension Fund primarily invests in certificates of deposit which are all evidenced by collateral.

3. RECEIVABLES

Property Taxes

Property taxes are levied in Lake County by the last Tuesday in December, on the assessed valuation as of January 1. The tax levy becomes an enforceable lien against the property on January 1 of the year following the tax levy year. These taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the Village units their respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year. The Lake County installments are due June 1 and September 1.

The 2008 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at December 31, 2008 an allowance of 3% of the levy for uncollectible real property taxes. All uncollected taxes relating to prior years' levies have been written off. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year end, if any, are recorded as revenue. The 2008 taxes are intended to finance the 2009 fiscal year and are not considered available for current operations and are, therefore, shown as deferred/unearned revenue.

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the Village for the eight months ended December 31, 2008 was as follows:

	May 1	Increases	Decreases	December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 6,557,081	\$ -	\$ -	\$ 6,557,081
Total capital assets not being depreciated	6,557,081	-	-	6,557,081
Capital assets being depreciated				
Buildings and improvements	5,857,325	-	-	5,857,325
Equipment and vehicles	2,270,799	2,284	-	2,273,083
Total capital assets being depreciated	8,128,124	2,284	-	8,130,408
Less accumulated depreciation for				
Buildings and improvements	523,542	182,096	-	705,638
Equipment and vehicles	1,242,389	164,220	-	1,406,609
Total accumulated depreciation	1,765,931	346,316	-	2,112,247
Total capital assets being depreciated, net	6,362,193	(344,032)	-	6,018,161
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 12,919,274	\$ (344,032)	\$ -	\$ 12,575,242
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 417,459	\$ -	\$ -	\$ 417,459
Construction in progress	-	-	-	-
Total capital assets not being depreciated	417,459	-	-	417,459
Capital assets being depreciated				
Buildings and improvements	4,735,324	1,381	-	4,736,705
Equipment	24,657	-	-	24,657
Total capital assets being depreciated	4,759,981	1,381	-	4,761,362
Less accumulated depreciation for				
Building and improvements	-	105,555	-	105,555
Equipment	-	2,898	-	2,898
Total accumulated depreciation	-	108,453	-	108,453
Total capital assets being depreciated, net	4,759,981	(107,072)	-	4,652,909
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 5,177,440	\$ (107,072)	\$ -	\$ 5,070,368

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

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

DEPRECIATION EXPENSE -		
GOVERNMENTAL ACTIVITIES		
General government		\$ 13,462
Public safety		68,006
Public works		72,014
Parks and recreation		<u>192,834</u>
TOTAL DEPRECIATION EXPENSE -		
GOVERNMENTAL ACTIVITIES		<u>\$ 346,316</u>

5. LONG-TERM DEBT

a. Special Service Area Bonds

Special Service Area (SSA) #1 - 2003A Bonds, SSA #2 - 2003B Bonds, SSA #3 - 2003C Bonds, SSA #1 - 2004A Bonds, SSA #2 - 2004B Bonds, SSA #3 - 2004C and SSA #4 - 2007 Bonds. Bonds outstanding as of December 31, 2008 totaled \$12,695,000. These bonds are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the special service areas. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

b. Changes in Long-Term Liabilities - Governmental Activities

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

	Fund Debt Retired By	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
Installment contracts	General	\$ 102,809	\$ 104,883	\$ 105,881	\$ 101,811	\$ 12,565
Compensated absences	General	45,517	14,979	14,182	46,314	9,263
Net pension obligation	General	278,132	45,484	-	323,616	-
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 426,458</u>	<u>\$ 165,346</u>	<u>\$ 120,063</u>	<u>\$ 471,741</u>	<u>\$ 21,828</u>

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Installment Contracts

During the eight months ended December 31, 2008, the Village issued one installment contract to pay off two previously outstanding installment contracts to purchase vehicles.

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances December 31	Current Portion
\$51,320 Installment Contract dated August 29, 2007 with one payment including interest at 6.188% due on June 5, 2008.	General	\$ 51,320	\$ -	\$ 51,320	\$ -	\$ -
\$51,489 Installment Contract dated August 29, 2007 with one payment including interest at 6.188% due on June 5, 2008.	General	51,489	-	51,489	-	-
\$104,883 Installment Contract dated September 16, 2008 with quarterly payments of \$4,628 including interest at 6.000% due through September 16, 2015.	General	-	104,883	3,072	101,811	12,565
TOTAL		<u>\$ 102,809</u>	<u>\$ 104,883</u>	<u>\$ 105,881</u>	<u>\$ 101,811</u>	<u>\$ 12,565</u>

d. Changes in Long-Term Liabilities - Business-Type Activities

During the eight months ended December 31, 2008, the following changes occurred in business-type activities long-term liabilities:

	Fund Debt Retired By	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES						
Revenue bonds	Aquatics	\$ 2,805,000	\$ -	\$ -	\$ 2,805,000	\$ 125,000
Unamortized premium on bonds	Aquatics	27,124	-	2,465	24,659	-
Compensated absences	Aquatics	336	246	-	582	116
TOTAL BUSINESS-TYPE ACTIVITIES		<u>\$ 2,832,460</u>	<u>\$ 246</u>	<u>\$ 2,465</u>	<u>\$ 2,830,241</u>	<u>\$ 125,116</u>

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity - Governmental Activities

Annual debt service requirements to maturity for the government activities installment contracts are as follows:

Fiscal Year Ending December 31,	Installment Contract		
	Principal	Interest	Total
2009	\$ 12,565	\$ 5,946	\$ 18,511
2010	13,384	5,127	18,511
2011	14,217	4,294	18,511
2012	15,091	3,420	18,511
2013	16,041	2,470	18,511
2014	17,040	1,471	18,511
2015	13,473	411	13,884
TOTALS	\$ 101,811	\$ 23,139	\$ 124,950

f. Revenue Bonds

The Village issued \$2,805,000 Revenue Bonds (Aquatic Center Project), Series 2007, dated June 15, 2007, were issued for the purpose of financing the construction of an aquatic center and related improvements, payable in annual installments of \$110,000 to \$645,000 each December 30 beginning December 30, 2009 through December 1, 2017 with interest payable semi-annually on June 30 and December 30 of 4.75%. The revenue bonds are payable from park donations pledged to the payment of the bonds and a pledge of revenues derived from the operation of the aquatic center to be financed.

The ordinance authorizing the issuance of \$2,805,000 Revenue Bonds (Aquatic Center Project), Series provided for the creation of separate subfunds of the Aquatics Fund. A Park Donation Subfund is required for all park donations fees received by the Village. This subfund had a balance of \$0 at December 31, 2008. A Depreciation Subfund is required as corporate authorities deem necessary in order to provide an adequate depreciation fund for the Aquatic Center. This subfund had a balance of \$75,000 at December 31, 2008. A Bond and Interest Subfund is required to fund principal and interest payments with an initial amount required in the ordinance of \$272,027. Beginning July 1, 2007, each month a fractional amount of the principal and interest becoming due on the next payment date is to be deposited to this subfund. At December 31, 2008, this subfund has a balance of \$74,307. Finally, a Reserve Subfund is required for making transfers to the Bond and Interest Subfund in the event that the Bond and Interest Subfund is insufficient. At December 31, 2008, this subfund has a balance of \$301,889 as required by the ordinance.

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

f. Revenue Bonds (Continued)

Debt service to maturity on these bonds is as follows:

Fiscal Year Ending December 31,	Revenue Bonds		
	Principal	Interest	Total
2009	\$ 125,000	\$ 133,238	\$ 258,238
2010	110,000	127,300	237,300
2011	105,000	122,075	227,075
2012	350,000	117,088	467,088
2013	350,000	100,462	450,462
2014	380,000	83,838	463,838
2015	370,000	65,787	435,787
2016	370,000	48,212	418,212
2017	645,000	30,637	675,637
TOTALS	\$ 2,805,000	\$ 828,637	\$ 3,633,637

6. INTERFUND ACTIVITY

Due from/to other funds at December 31, 2008 consist of the following:

	Due From	Due To
General		
Police Pension	\$ -	\$ 2,752
Special Service Area #1 Project	12,110	12,378
Special Service Area #2 Project	24	12,378
Special Service Area #3 Project	25,000	12,378
Special Service Area #4 Project	-	4,800
Aquatics	-	12,695
Total General	37,134	57,381
Community Development		
Special Service Area #3 Project	-	362,064
Total Community Development	-	362,064
Special Service Area #1 Project		
General	12,378	12,110
Special Service Area #3 Project	25,685	-
Total Special Service Area #1 Project	38,063	12,110
Special Service Area #2 Project		
General	12,378	24
Special Service Area #3 Project	13,599	-
Total Special Service Area #2 Project	25,977	24

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUND ACTIVITY (Continued)

	Due From	Due To
Special Service Area #3 Project		
General	\$ 12,378	\$ 25,000
Community Development	362,064	-
Special Service Area #1 Project	-	25,685
Special Service Area #2 Project	-	13,599
Total Special Service Area #3 Project	<u>374,442</u>	<u>64,284</u>
Special Service Area #4 Project		
General	4,800	-
Total Special Service Area #4 Project	<u>4,800</u>	<u>-</u>
Aquatics Fund		
General	12,695	-
Total Aquatics Fund	<u>12,695</u>	<u>-</u>
Police Pension		
General	2,752	-
Total Police Pension	<u>2,752</u>	<u>-</u>
TOTAL	<u>\$ 495,863</u>	<u>\$ 495,863</u>

The interfund balances result from the time lag between dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Interfund transfers during the eight months ended December 31, 2008 consisted of the following:

	Transfer In	Transfer Out
General	\$ 55,469	\$ 784,140
Community Development	99,430	890,469
Special Service Area #1 Project	-	273,333
Special Service Area #2 Project	-	553,333
Special Service Area #3 Project	2,346,376	-
TOTAL	<u>\$ 2,501,275</u>	<u>\$ 2,501,275</u>

6. INTERFUND ACTIVITY (Continued)

Transfers between funds for the eight months ended December 31, 2008 consist of the following:

- \$684,710 from the General Fund to the Special Service Area #3 Project Fund is to be used in the Special Service Area funds for road improvements.
- \$99,430 transferred from the General Fund to the Community Development Fund is a cash transfer to start the Community Development Fund.
- \$55,469 transferred from the Community Development Fund to the General Fund is for reimbursement of legal fees.
- \$835,000 transferred from the Community Development Fund to the Special Service Area #3 Project Fund is for developers donations.
- \$273,333 transferred from the Special Service Area #1 Project Fund and \$553,333 transferred from the Special Service Area #2 Project Fund to the Special Service Area #3 Project Fund is for contributions for the joint road improvements in the special service areas.

None of the transfers will be repaid.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited self-insurance program. The Village currently reports its risk management expenditures/expenses in the General Fund. There were no significant changes in insurance coverage from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities and special districts in Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The association administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration and litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

VILLAGE OF HAWTHORN WOODS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT (Continued)

Levels of coverage provided by IMLRMA are as follows:

General liability	\$ 8,000,000
Auto liability	8,000,000
Public officials' liability	2,500,000
Property	30,000,000
Workers' compensation	Statutory
Employer's liability	3,000,000

The Village's payments to IMLRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes certain amounts of each occurrence, and IMLRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

IMLRMA is governed by a board of directors made up of Illinois mayors and village presidents of municipalities who participate in the program. The Village does not exercise any control over the activities of IMLRMA beyond its representation on the Board of Directors.

Annual contributions are determined each year by underwriters based on the individual member's exposure to loss and experience modification factors based on past member loss experience.

The Village also pays for health insurance for employees through third-party indemnity insurance.

8. CONTINGENT LIABILITIES

Litigation

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

Grants

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

9. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all the plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF however, issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) 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 statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2008 was 11.33% of covered payroll.

Police Pension Plan

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

At December 31, 2008, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	5
Nonvested	5
	<hr/>
TOTAL	<u>11</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years.

Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement by 3.00% of the original pension and 3.00% compounded annually thereafter and be paid upon reaching the age of at least 55 years.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recorded when due in accordance with statutory requirements. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Police Pension Plan are financed through investment earnings. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the eight months ended December 31, 2008, the Village's contribution was 16.75% of covered payroll.

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

b. Significant Investments

There are no significant investments in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan; all amounts are invested in certificates of deposit. Information for IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2006	April 30, 2007
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Closed	34 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 11.60%	N/A
d) Postretirement benefit increases	3.00%	N/A

N/A - Information not available

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows for the last three years. The NPO is the cumulative difference between the APC and the contributions actually made.

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual pension cost (APC)	2006	\$ 92,100	2007	\$ 234,749
	2007	96,833	2008	264,172
	2008	74,197	2008*	155,532
Actual contribution	2006	\$ 92,100	2007	\$ 133,572
	2007	96,833	2008	191,126
	2008	74,197	2008*	110,048
Percentage of APC contributed	2006	100.00%	2007	56.89%
	2007	100.00%	2008	72.35%
	2008	100.00%	2008*	72.71%
NPO (Asset)	2006	\$ -	2007	\$ 205,086
	2007	-	2008	278,132
	2008	-	2008*	323,616

* The Village changed their fiscal year to December 31, 2008.

The NPO (asset) at December 31, 2008 has been calculated as follows:

	Police Pension
Annual required contribution	\$ 151,347
Interest on net pension obligation	12,979
Adjustment to annual required contribution	(8,794)
Annual pension cost	155,532
Contributions made	110,048
(Increase) decrease in net pension obligation	45,484
Net pension obligation beginning of year	278,132
NET PENSION OBLIGATION END OF YEAR	\$ 323,616

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

d. Funded Status

The funded status of the plans as of December 31, 2008, based on actuarial valuations performed as of December 31, 2008 is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 9-c:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 1,016,673	\$ 2,174,150
Actuarial value of plan assets	631,748	1,120,165
Unfunded actuarial accrued liability (UAAL)	384,925	1,053,985
Funded ratio (actuarial value of plan assets/AAL)	62.14%	51.5%
Covered payroll (active plan members)	\$ 654,875	\$ 656,915
UAAL as a percentage of covered payroll	58.78%	160.4%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

10. SIGNIFICANT EVENT

The Village Board passed an Ordinance in November 2007 which amended the Village's Municipal Code allowing the Village to change their fiscal year to December 31, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 2,199,446	\$ 2,199,446	\$ 2,276,609	\$ 77,163
Licenses, permits and fees	292,162	292,162	250,587	(41,575)
Intergovernmental	-	-	6,452	6,452
Investment income	55,585	55,585	33,591	(21,994)
Miscellaneous	74,750	74,750	61,980	(12,770)
Total revenues	2,621,943	2,621,943	2,629,219	7,276
EXPENDITURES				
Current				
General government	711,996	711,996	654,730	(57,266)
Building and zoning	115,796	115,796	56,652	(59,144)
Public safety	951,481	967,981	926,758	(41,223)
Public works	589,691	589,691	586,293	(3,398)
Parks and recreation	54,986	54,986	47,466	(7,520)
Debt service				
Principal	13,110	13,110	105,881	92,771
Interest and fiscal charges	6,890	6,890	8,201	1,311
Total expenditures	2,443,950	2,460,450	2,385,981	(74,469)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	177,993	161,493	243,238	81,745
OTHER FINANCING SOURCES (USES)				
Transfer in	65,000	65,000	55,469	(9,531)
Transfer (out)	(230,000)	(230,000)	(784,140)	(554,140)
Installment contract issued, at par	-	-	104,883	104,883
Total other financing sources (uses)	(165,000)	(165,000)	(623,788)	(458,788)
NET CHANGE IN FUND BALANCE	\$ 12,993	\$ (3,507)	(380,550)	\$ (377,043)
FUND BALANCE, MAY 1			550,432	
FUND BALANCE, DECEMBER 31			\$ 169,882	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 4,500	\$ 4,500	\$ 3,650	\$ (850)
Miscellaneous	69,039	69,039	65,954	(3,085)
Total revenues	73,539	73,539	69,604	(3,935)
EXPENDITURES				
Current				
Parks and recreation	-	-	4,510	4,510
Capital outlay	25,000	25,000	2,284	(22,716)
Total expenditures	25,000	25,000	6,794	(18,206)
NET CHANGE IN FUND BALANCE	\$ 48,539	\$ 48,539	62,810	\$ 14,271
FUND BALANCE, MAY 1			215,651	
FUND BALANCE, DECEMBER 31			\$ 278,461	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Allotments earned	\$ 115,667	\$ 115,667	\$ 137,290	\$ 21,623
Investment income	11,000	11,000	8,082	(2,918)
Total revenues	<u>126,667</u>	<u>126,667</u>	<u>145,372</u>	<u>18,705</u>
EXPENDITURES				
Public works				
Contract maintenance - street	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,667	126,667	145,372	18,705
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(626,632)	(626,632)	-	626,632
NET CHANGE IN FUND BALANCE	<u>\$ (499,965)</u>	<u>\$ (499,965)</u>	145,372	<u>\$ 645,337</u>
FUND BALANCE, MAY 1			<u>524,261</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 669,633</u>	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Licenses, permits and fees	\$ -	\$ -	\$ 285,133	\$ 285,133
Investment income	-	-	4,533	4,533
Miscellaneous	1,000,000	1,000,000	1,017,346	17,346
Total revenues	1,000,000	1,000,000	1,307,012	307,012
EXPENDITURES				
Building and zoning				
Contractual services	-	150,000	159,167	9,167
Total expenditures	-	150,000	159,167	9,167
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,000,000	850,000	1,147,845	297,845
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	99,430	99,430
Transfers (out)	(900,000)	(900,000)	(890,469)	9,531
Total other financing sources (uses)	(900,000)	(900,000)	(791,039)	108,961
NET CHANGE IN FUND BALANCE	\$ 100,000	\$ (50,000)	356,806	\$ 406,806
FUND BALANCE, MAY 1			-	
FUND BALANCE, DECEMBER 31			\$ 356,806	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2008

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2003	\$ 222,869	\$ 449,812	49.55%	\$ 226,943	\$ 569,862	39.82%
2004	332,457	671,452	49.51%	338,995	649,140	52.22%
2005	455,485	841,260	54.14%	385,775	691,898	55.76%
2006	580,941	1,018,592	57.03%	437,651	813,607	53.79%
2007	741,770	1,142,615	64.92%	400,845	873,156	45.91%
2008	631,748	1,016,673	62.14%	384,925	654,875	58.78%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

December 31, 2008

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
April 30, 2004	\$ 209,921	\$ 1,015,983	20.66%	\$ 806,062	\$ 508,500	158.52%
April 30, 2005	341,618	1,196,109	28.56%	854,491	622,159	137.34%
April 30, 2006	505,691	1,535,019	32.94%	1,029,328	811,031	126.92%
April 30, 2007	717,539	1,911,798	37.53%	1,194,259	910,385	131.18%
April 30, 2008	991,747	2,094,390	47.35%	1,102,643	763,496	144.42%
December 31, 2008	1,120,165	2,174,150	51.52%	1,053,985	656,915	160.44%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2008

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 53,396	\$ 53,396	100.00%
2004	65,888	65,888	100.00%
2005	73,134	73,134	100.00%
2006	92,100	92,100	100.00%
2007	96,833	96,833	100.00%
2008	74,197	74,197	100.00%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

December 31, 2008

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2004	\$ 67,160	\$ 100,459	66.85%	\$ 20,666
2005	100,464	113,473	88.54%	34,204
2006	113,473	182,378	62.22%	103,909
2007	133,572	232,235	57.52%	205,086
2008	191,126	259,371	73.69%	278,132
2008*	110,048	151,347	72.71%	323,616

* The Village changed their fiscal year end to December 31, 2008.

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2008

1. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual appropriations lapse at fiscal year end. One budget amendment was made in the current fiscal year.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. During the first quarter of the year, the Village Administrator drafts an annual budget ordinance to be adopted by the Village Board. This ordinance appropriates such sums of money as are deemed necessary to defray all necessary expenses and liabilities of the Village. The ordinance also specifies the objects and purposes for which these appropriations are made and the amount appropriated for each.
- b. Prior to the adoption of the budget ordinance, the Village makes the proposed ordinance conveniently available to public inspection and holds at least one public hearing subsequent to published notice.
- c. Subsequent to the public hearing and before final action is taken on the budget ordinance, the Village Board may revise, alter, increase or decrease the items contained therein.
- d. Final action to adopt the appropriation for the eight months ended December 31 is taken by the Board before March 31.
- e. The Board may subsequently transfer appropriated amounts to other appropriations but not increase the overall appropriation of an individual fund without the passage of a supplemental appropriation.
- f. The legal level of budgetary control is at the fund level.
- g. Budgetary authority lapses at year end.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

December 31, 2008

2. EXCESS OF EXPENDITURES OVER BUDGET

The following individual fund expenditures exceeded the final budget in the following amounts:

Fund	Final Budget	Actual
Community Development	\$ 150,000	\$ 159,167

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
TAXES				
Property taxes	\$ 1,408,021	\$ 1,408,021	\$ 1,573,980	\$ 165,959
Road and bridge tax	166,560	166,560	26,044	(140,516)
Sales tax	94,447	94,447	99,675	5,228
Use tax	59,919	59,919	78,486	18,567
Income tax	438,842	438,842	463,844	25,002
Personal property replacement tax	1,262	1,262	1,190	(72)
Telecommunication tax	30,395	30,395	33,390	2,995
Total taxes	2,199,446	2,199,446	2,276,609	77,163
LICENSES, PERMITS AND FEES				
Licenses				
Vehicle licenses	-	-	23,491	23,491
Animal licenses	-	-	1,755	1,755
Franchise licenses	50,000	50,000	71,196	21,196
Business licenses	-	-	1,150	1,150
Other	-	-	50	50
Total licenses	50,000	50,000	97,642	47,642
Fees				
Court fines	168,076	168,076	96,123	(71,953)
Village code violations	21,275	21,275	23,560	2,285
Adjudication fines	600	600	-	(600)
Police protection fees	756	756	1,350	594
Record requests	455	455	398	(57)
Reimbursement fees	-	-	(1,271)	(1,271)
Park program fees	51,000	51,000	32,785	(18,215)
Total fees	242,162	242,162	152,945	(89,217)
Total licenses, permits and fees	292,162	292,162	250,587	(41,575)

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
INTERGOVERNMENTAL				
Grant revenue	\$ -	\$ -	\$ 6,452	\$ 6,452
Total intergovernmental	-	-	6,452	6,452
INVESTMENT INCOME				
	55,585	55,585	33,591	(21,994)
MISCELLANEOUS				
Rental income	1,584	1,584	3,810	2,226
Donations	40,000	40,000	7,050	(32,950)
Public utilities	9,951	9,951	13,262	3,311
Yard stickers	6,400	6,400	9,796	3,396
Insurance reimbursement	3,000	3,000	-	(3,000)
Miscellaneous	13,815	13,815	28,062	14,247
Total miscellaneous	74,750	74,750	61,980	(12,770)
TOTAL REVENUES	\$ 2,621,943	\$ 2,621,943	\$ 2,629,219	\$ 7,276

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Administration				
Personnel services				
Salaries	\$ 189,770	\$ 189,770	\$ 190,657	\$ 887
IMRF	21,123	21,123	21,582	459
Health insurance	16,496	16,496	16,099	(397)
FICA matching	14,517	14,517	14,593	76
Contractual services				
Contract maintenance - equipment	333	333	-	(333)
Accounting	17,935	17,935	9,842	(8,093)
Legal	48,000	48,000	36,537	(11,463)
Contingent legal services	100,000	100,000	67,977	(32,023)
Other professional services	47,000	47,000	47,762	762
Credit card services	5,600	5,600	3,755	(1,845)
Postage	13,090	13,090	4,265	(8,825)
Telephone	7,486	7,486	7,767	281
Publishing/advertising	833	833	1,344	511
Printing/copying	1,925	1,925	3,830	1,905
Dues	5,575	5,575	7,250	1,675
Travel	2,100	2,100	355	(1,745)
Training	1,500	1,500	16	(1,484)
Publications	200	200	70	(130)
Liability insurance	94,927	94,927	106,712	11,785
Rental/lease	10,410	10,410	10,894	484
Recognition dinner	1,000	1,000	-	(1,000)
Other charges	3,600	3,600	8,726	5,126
Sales tax rebates	3,500	3,500	4,154	654
Yard waste stickers	6,400	6,400	10,800	4,400
Contingency	38,000	38,000	24,305	(13,695)
Commodities				
Office supplies	4,000	4,000	3,251	(749)
Miscellaneous	2,060	2,060	1,807	(253)
Total administration	657,380	657,380	604,350	(53,030)
Elected Officials				
Personal services				
Health insurance	-	-	6,274	6,274
Dues	2,370	2,370	2,203	(167)
Travel	1,600	1,600	-	(1,600)
Training	-	-	255	255

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Elected Officials (Continued)				
Contractual services				
Publications	\$ 135	\$ 135	\$ 24	\$ (111)
Miscellaneous	3,115	3,115	220	(2,895)
Total elected officials	7,220	7,220	8,976	1,756
Police Commission				
Professional services				
Legal	1,000	1,000	-	(1,000)
Other professional services	5,000	5,000	2,631	(2,369)
Contractual services				
Dues	625	625	375	(250)
Total police commission	6,625	6,625	3,006	(3,619)
Technology				
Contractual services				
Telephone	-	-	(7)	(7)
Other professional services	12,687	12,687	10,375	(2,312)
Contract maintenance - equipment	2,956	2,956	1,353	(1,603)
Other charges	24,000	24,000	24,499	499
Capital outlay				
Equipment	1,128	1,128	2,178	1,050
Total technology	40,771	40,771	38,398	(2,373)
Total general government	711,996	711,996	654,730	(57,266)
BUILDING AND ZONING				
Administration				
Personnel services				
Salaries	26,700	26,700	21,108	(5,592)
IMRF	2,940	2,940	2,443	(497)
Health insurance	3,611	3,611	4,356	745
FICA matching	2,045	2,045	1,624	(421)
Contractual services				
Engineering	25,000	25,000	6,684	(18,316)
Legal	25,000	25,000	20,165	(4,835)
Planning services	25,000	25,000	1,630	(23,370)

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
BUILDING AND ZONING (Continued)				
Administration (Continued)				
Contractual services (Continued)				
Landscape review	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Building inspections	-	-	25,515	25,515
Fire suppression	-	-	2,451	2,451
Publishing/advertising	-	-	1,340	1,340
Printing/copying	-	-	76	76
Dues	-	-	(100)	(100)
Travel	-	-	4	4
Other charges	3,000	3,000	(30,644)	(33,644)
Total administration	115,796	115,796	56,652	(59,144)
Total building and zoning	115,796	115,796	56,652	(59,144)
PUBLIC SAFETY				
Police administration/operations				
Personnel services				
Salaries	490,964	490,964	467,430	(23,534)
Overtime	28,564	45,064	69,176	24,112
IMRF	3,100	3,100	3,167	67
Police Pension	89,048	89,048	110,048	21,000
Health insurance	54,039	54,039	51,196	(2,843)
FICA matching	8,815	8,815	9,600	785
Contractual services				
Contract maintenance - equipment	8,687	8,687	6,143	(2,544)
Legal services	100,000	100,000	76,000	(24,000)
Other professional services	2,640	2,640	2,392	(248)
Postage	100	100	61	(39)
Telephone	4,080	4,080	4,316	236
Printing/copying	2,200	2,200	176	(2,024)
Contract services	77,094	77,094	68,530	(8,564)
Dues	16,410	16,410	16,105	(305)
Travel	350	350	-	(350)
Training	4,150	4,150	604	(3,546)
Publications	446	446	302	(144)
Donations	100	100	100	-
Community relations	3,500	3,500	2,068	(1,432)
Other charges	5,000	5,000	6,035	1,035

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Police administration/operations (Continued)				
Commodities				
Office supplies	\$ 2,500	\$ 2,500	\$ 1,272	\$ (1,228)
Auto fuel and oil	27,750	27,750	26,978	(772)
Minor equipment	1,000	1,000	576	(424)
Vehicle supplies	4,000	4,000	2,344	(1,656)
Maintenance supplies	100	100	4	(96)
Uniforms	4,400	4,400	1,260	(3,140)
Other charges	1,690	1,690	875	(815)
Capital outlay				
Equipment	10,754	10,754	-	(10,754)
Total police administration/operations	951,481	967,981	926,758	(41,223)
Total public safety	951,481	967,981	926,758	(41,223)
PUBLIC WORKS				
Administration				
Personnel services				
Salaries	181,107	181,107	156,673	(24,434)
Overtime	5,000	5,000	8,676	3,676
IMRF	21,086	21,086	16,123	(4,963)
Health insurance	38,361	38,361	33,729	(4,632)
FICA matching	14,237	14,237	12,287	(1,950)
Contractual services				
Vehicles	10,400	10,400	9,736	(664)
Signals	4,800	4,800	-	(4,800)
Drainage	2,000	2,000	13,538	11,538
Equipment	3,000	3,000	499	(2,501)
Patching	1,000	1,000	359	(641)
Street	30,000	30,000	98,033	68,033
Other	6,000	6,000	6,158	158
Other professional services	1,200	1,200	1,724	524
Telephone	3,350	3,350	986	(2,364)
Publishing/advertising	600	600	188	(412)
Printing/copying	125	125	41	(84)
Dues	1,225	1,225	220	(1,005)
Travel	200	200	-	(200)
Publications	200	200	-	(200)
Public utilities	7,500	7,500	8,068	568
Rental/lease	1,500	1,500	848	(652)

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Administration (Continued)				
Commodities				
Office supplies	\$ 1,140	\$ 1,140	\$ 1,078	\$ (62)
Auto fuel and oil	15,000	15,000	18,520	3,520
Minor equipment	1,500	1,500	1,350	(150)
Small tools	1,000	1,000	1,058	58
Equipment supplies	2,500	2,500	3,078	578
Vehicle supplies	10,000	10,000	8,309	(1,691)
Maintenance supplies	3,000	3,000	2,631	(369)
Uniform allowance	6,200	6,200	4,046	(2,154)
Other charges	3,000	3,000	2,986	(14)
Total administration	376,231	376,231	410,942	34,711
Building and grounds				
Contractual services				
Contract maintenance - buildings	13,350	13,350	14,447	1,097
Professional services	30,000	30,000	27,108	(2,892)
Telephone	240	240	-	(240)
Public utilities	400	400	3	(397)
Commodities				
Maintenance supplies	2,000	2,000	2,756	756
Total buildings and grounds	45,990	45,990	44,314	(1,676)
Park maintenance				
Commodities				
Maintenance supplies	5,000	5,000	4,694	(306)
Contractual services				
Contract maintenance	72,220	72,220	74,920	2,700
Entertainment	30,000	30,000	10,100	(19,900)
Dues	52,750	52,750	38,165	(14,585)
Public utilities	7,500	7,500	3,158	(4,342)
Total park maintenance	167,470	167,470	131,037	(36,433)
Total public works	589,691	589,691	586,293	(3,398)

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
PARKS AND RECREATION				
Personnel services				
Salaries	\$ 16,667	\$ 16,667	\$ 20,422	\$ 3,755
IMRF	1,833	1,833	1,891	58
Health insurance	2,770	2,770	1,871	(899)
FICA matching	1,275	1,275	1,575	300
Contractual services				
Telephone	330	330	433	103
Printing/copying	6,000	6,000	4,024	(1,976)
Training	500	500	-	(500)
Publications	36	36	-	(36)
Program expenses	24,625	24,625	16,852	(7,773)
Commodities				
Office supplies	250	250	108	(142)
Other charges	200	200	174	(26)
Capital outlay				
Equipment	500	500	116	(384)
Total parks and recreation	54,986	54,986	47,466	(7,520)
DEBT SERVICE				
Principal	13,110	13,110	105,881	92,771
Interest	6,890	6,890	8,201	1,311
Total debt service	20,000	20,000	114,082	94,082
TOTAL EXPENDITURES	\$ 2,443,950	\$ 2,460,450	\$ 2,385,981	\$ (74,469)

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
PARKS AND RECREATION				
Contractual services				
Contract maintenance - grounds	\$ -	\$ -	\$ 4,335	\$ 4,335
Miscellaneous	-	-	101	101
Commodities				
Other charges	-	-	74	74
Total parks and recreation	-	-	4,510	4,510
Capital outlay				
Equipment	20,000	20,000	2,284	(17,716)
Other improvements	5,000	5,000	-	(5,000)
Total capital outlay	25,000	25,000	2,284	(22,716)
TOTAL EXPENDITURES	\$ 25,000	\$ 25,000	\$ 6,794	\$ (18,206)

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #1 PROJECT FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 13,907	\$ 13,907	\$ 6,353	\$ (7,554)
Total revenues	13,907	13,907	6,353	(7,554)
EXPENDITURES				
Public works				
Contract maintenance - streets	5,000	5,000	100	(4,900)
Engineering	-	22,883	2,952	(19,931)
Legal services	-	-	54	54
Other	-	-	3,439	3,439
Total expenditures	5,000	27,883	6,545	(21,338)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,907	(13,976)	(192)	13,784
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Transfers (out)	-	-	(273,333)	(273,333)
Total other financing sources (uses)	5,000	5,000	(273,333)	(278,333)
NET CHANGE IN FUND BALANCE	\$ 13,907	\$ (8,976)	(273,525)	\$ (264,549)
FUND BALANCE, MAY 1			545,380	
FUND BALANCE, DECEMBER 31			\$ 271,855	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #2 PROJECT FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 22,885	\$ 22,885	\$ 8,887	\$ (13,998)
Total revenues	22,885	22,885	8,887	(13,998)
EXPENDITURES				
Public works				
Contract maintenance - streets	5,000	5,000	21	(4,979)
Engineering	22,105	22,105	2,952	(19,153)
Legal services	-	-	54	54
Other	-	-	3,439	3,439
Total expenditures	27,105	27,105	6,466	(20,639)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,220)	(4,220)	2,421	6,641
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Transfers (out)	-	-	(553,333)	(553,333)
Total other financing sources (uses)	5,000	5,000	(553,333)	(558,333)
NET CHANGE IN FUND BALANCE	\$ 780	\$ 780	(550,912)	\$ (551,692)
FUND BALANCE, MAY 1			909,505	
FUND BALANCE, DECEMBER 31			\$ 358,593	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #3 PROJECT FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 4,756	\$ 4,756	\$ 4,933	\$ 177
Total revenues	4,756	4,756	4,933	177
EXPENDITURES				
Public works				
Contract maintenance - street	2,189,009	2,189,009	1,320,120	(868,889)
Engineering	60,000	60,000	45,851	(14,149)
Legal	-	-	54	54
Other	-	-	3,439	3,439
Total expenditures	2,249,009	2,249,009	1,369,464	(879,545)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,244,253)	(2,244,253)	(1,364,531)	879,722
OTHER FINANCING SOURCES (USES)				
Transfers in	1,681,632	1,681,632	2,346,376	664,744
NET CHANGE IN FUND BALANCE	\$ (562,621)	\$ (562,621)	981,845	\$ 1,544,466
FUND BALANCE (DEFICIT), MAY 1			(465,318)	
FUND BALANCE, DECEMBER 31			\$ 516,527	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #4 PROJECT FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 51,572	\$ 51,572	\$ 52,680	\$ 1,108
Total revenues	51,572	51,572	52,680	1,108
EXPENDITURES				
Public works				
Contract maintenance - watermain	2,700,000	2,700,000	-	(2,700,000)
Engineering	100,000	100,000	34,571	(65,429)
Legal	-	-	5,722	5,722
Other	-	-	17,658	17,658
Total expenditures	2,800,000	2,800,000	57,951	(2,742,049)
NET CHANGE IN FUND BALANCE	<u>\$ (2,748,428)</u>	<u>\$ (2,748,428)</u>	(5,271)	<u>\$ 2,743,157</u>
FUND BALANCE, MAY 1			<u>3,032,069</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 3,026,798</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUND

Connection Fees Fund - used to account for the revenues received from connection fees and the related expenditures for future water and system related maintenance.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ -	\$ -	\$ 1,146	\$ 1,146
Miscellaneous	24,000	24,000	21,000	(3,000)
Total revenues	24,000	24,000	22,146	(1,854)
EXPENDITURES				
Capital outlay				
None	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 24,000</u>	<u>\$ 24,000</u>	22,146	<u>\$ (1,854)</u>
FUND BALANCE, MAY 1			<u>66,773</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 88,919</u>	

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF NET ASSETS
AQUATIC CENTER ACCOUNTS

December 31, 2008

	Construction	Operating	Bond & Interest
CURRENT ASSETS			
Cash and investments	\$ -	\$ 118,269	\$ 74,307
Due from other funds	-	12,695	-
Total current assets	-	130,964	74,307
NONCURRENT ASSETS			
Unamortized issuance costs	-	48,795	-
Capital assets			
Capital assets not being depreciated	-	417,459	-
Capital assets being depreciated	-	4,652,909	-
Net capital assets	-	5,070,368	-
Total assets	-	5,250,127	74,307
CURRENT LIABILITIES			
Accounts payable	-	1,709	-
Wages payable	-	1,224	-
Deposits payable	-	159	-
Compensated absences payable	-	116	-
Revenue bonds payable	-	125,000	-
Total current liabilities	-	128,208	-
NONCURRENT LIABILITIES			
Compensated absences payable	-	466	-
Unamortized premium on bonds issued	-	24,659	-
Revenue bonds payable	-	2,680,000	-
Total noncurrent liabilities	-	2,705,125	-
Total liabilities	-	2,833,333	-
NET ASSETS			
Invested in capital assets, net of related debt Restricted	-	2,365,709	-
Debt service	-	75,000	74,307
Unrestricted (deficit)	-	(23,915)	-
TOTAL NET ASSETS	\$ -	\$ 2,416,794	\$ 74,307

	Bond Reserve	Eliminations	Total
\$	301,889	\$ -	\$ 494,465
	-	-	12,695
	301,889	-	507,160
	-	-	48,795
	-	-	417,459
	-	-	4,652,909
	-	-	5,070,368
	301,889	-	5,626,323
	-	-	1,709
	-	-	1,224
	-	-	159
	-	-	116
	-	-	125,000
	-	-	128,208
	-	-	466
	-	-	24,659
	-	-	2,680,000
	-	-	2,705,125
	-	-	2,833,333
	-	-	2,365,709
	301,889	-	451,196
	-	-	(23,915)
\$	301,889	\$ -	\$ 2,792,990

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
AQUATIC CENTER ACCOUNTS

For the Eight Months Ended December 31, 2008

	Construction	Operating	Bond & Interest
OPERATING REVENUES			
Charges for service	\$ -	\$ 240,828	\$ -
Total operating revenues	-	240,828	-
OPERATING EXPENSES			
Personnel services	-	110,778	-
Contractual services	2,486	110,031	25
Commodities	-	18,100	-
Maintenance	-	226	-
Depreciation	-	108,453	-
Total operating expenses	2,486	347,588	25
OPERATING INCOME (LOSS)	(2,486)	(106,760)	(25)
NONOPERATING REVENUES (EXPENSES)			
Investment income	4,050	888	2,391
Miscellaneous	-	6,788	-
Interest expense	-	-	(88,825)
Total nonoperating revenues (expenses)	4,050	7,676	(86,434)
NET INCOME (LOSS) BEFORE TRANSFERS	1,564	(99,084)	(86,459)
TRANSFERS			
Transfers in	-	2,522,140	-
Transfers (out)	(2,532,847)	-	-
Total transfers	(2,532,847)	2,522,140	-
CHANGE IN NET ASSETS	(2,531,283)	2,423,056	(86,459)
NET ASSETS (DEFICIT), MAY 1	2,531,283	(6,262)	160,766
NET ASSETS, DECEMBER 31	\$ -	\$ 2,416,794	\$ 74,307

Bond Reserve	Eliminations	Total
\$ -	\$ -	\$ 240,828
-	-	240,828
-	-	110,778
-	-	112,542
-	-	18,100
-	-	226
-	-	108,453
-	-	350,099
-	-	(109,271)
4,517	-	11,846
-	-	6,788
-	-	(88,825)
4,517	-	(70,191)
4,517	-	(179,462)
10,707	(2,532,847)	-
-	2,532,847	-
10,707	-	-
15,224	-	(179,462)
286,665	-	2,972,452
\$ 301,889	\$ -	\$ 2,792,990

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS
AQUATIC CENTER ACCOUNTS

For the Eight Months Ended December 31, 2008

	<u>Construction</u>	<u>Operating</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ -	\$ 196,311
Payments to suppliers	(368,717)	(126,648)
Payments to employees	-	(111,359)
	<hr/>	
Net cash from operating activities	(368,717)	(41,696)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Miscellaneous nonoperating receipts	-	6,788
Intrafund transfer in (out)	(124,708)	114,001
	<hr/>	
Net cash from noncapital financing activities	(124,708)	120,789
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	(1,381)
Interest paid	-	-
	<hr/>	
Net cash from capital and related financing activities	-	(1,381)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,050	888
	<hr/>	
Net cash from investing activities	4,050	888
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(489,375)	78,600
CASH AND CASH EQUIVALENTS, MAY 1	489,375	39,669
	<hr/>	
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 118,269
	<hr/> <hr/>	

Bond & Interest	Reserve	Total
\$ -	\$ -	\$ 196,311
(25)	-	(495,390)
-	-	(111,359)
(25)	-	(410,438)
-	-	6,788
-	10,707	-
-	10,707	6,788
-	-	(1,381)
(133,238)	-	(133,238)
(133,238)	-	(134,619)
2,391	4,517	11,846
2,391	4,517	11,846
(130,872)	15,224	(526,423)
205,179	286,665	1,020,888
\$ 74,307	\$ 301,889	\$ 494,465

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS (Continued)
AQUATIC CENTER ACCOUNTS

For the Eight Months Ended December 31, 2008

	<u>Construction</u>	<u>Operating</u>
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (2,486)	\$ (106,760)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Increase (decrease) in		
Depreciation and amortization	2,415	108,453
Accounts payable	(339,000)	1,709
Due to other funds	(29,646)	-
Deposits payable	-	34
Unearned revenue	-	(44,392)
Compensated absences payable	-	246
Wages payable	-	(986)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (368,717)</u></u>	<u><u>\$ (41,696)</u></u>

Bond & Interest	Reserve	Total
\$ (25)	\$ -	\$ (109,271)
-	-	110,868
-	-	(337,291)
-	-	(29,646)
-	-	34
-	-	(44,392)
-	-	246
-	-	(986)
\$ (25)	\$ -	\$ (410,438)

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
POLICE PENSION FUND

For the Eight Months Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADDITIONS				
Contributions				
Employer	\$ 89,048	\$ 89,048	\$ 110,048	\$ 21,000
Employee	48,655	48,655	44,867	(3,788)
Total contributions	137,703	137,703	154,915	17,212
Investment income				
Interest	15,260	15,260	27,318	12,058
Total investment income	15,260	15,260	27,318	12,058
Total additions	152,963	152,963	182,233	29,270
DEDUCTIONS				
Benefits and refunds	27,985	27,985	52,236	24,251
Administration	2,500	2,500	2,146	(354)
Total deductions	30,485	30,485	54,382	23,897
NET INCREASE	<u>\$ 122,478</u>	<u>\$ 122,478</u>	127,851	<u>\$ 5,373</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
May 1			<u>991,749</u>	
December 31			<u>\$ 1,119,600</u>	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Eight Months Ended December 31, 2008

ALL FUNDS				
	Balances May 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 344,077	\$ 970,185	\$ 1,057,629	\$ 256,633
TOTAL ASSETS	\$ 344,077	\$ 970,185	\$ 1,057,629	\$ 256,633
LIABILITIES				
Due to others	\$ 344,077	\$ 970,185	\$ 1,057,629	\$ 256,633
TOTAL LIABILITIES	\$ 344,077	\$ 970,185	\$ 1,057,629	\$ 256,633
 SPECIAL SERVICE AREA #1 PROJECT - DEBT SERVICE				
	Balances May 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 24,027	\$ 292,964	\$ 286,258	\$ 30,733
TOTAL ASSETS	\$ 24,027	\$ 292,964	\$ 286,258	\$ 30,733
LIABILITIES				
Due to others	\$ 24,027	\$ 292,964	\$ 286,258	\$ 30,733
TOTAL LIABILITIES	\$ 24,027	\$ 292,964	\$ 286,258	\$ 30,733

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
 AGENCY FUNDS

For the Eight Months Ended December 31, 2008

**SPECIAL SERVICE AREA #2
 PROJECT - DEBT SERVICE**

	Balances May 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 26,365	\$ 293,851	\$ 286,258	\$ 33,958
TOTAL ASSETS	\$ 26,365	\$ 293,851	\$ 286,258	\$ 33,958
LIABILITIES				
Due to others	\$ 26,365	\$ 293,851	\$ 286,258	\$ 33,958
TOTAL LIABILITIES	\$ 26,365	\$ 293,851	\$ 286,258	\$ 33,958

**SPECIAL SERVICE AREA #3
 PROJECT - DEBT SERVICE**

	Balances May 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 26,119	\$ 291,914	\$ 286,258	\$ 31,775
TOTAL ASSETS	\$ 26,119	\$ 291,914	\$ 286,258	\$ 31,775
LIABILITIES				
Due to others	\$ 26,119	\$ 291,914	\$ 286,258	\$ 31,775
TOTAL LIABILITIES	\$ 26,119	\$ 291,914	\$ 286,258	\$ 31,775

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
 AGENCY FUNDS

For the Eight Months Ended December 31, 2008

**SPECIAL SERVICE AREA #4
 PROJECT - DEBT SERVICE**

	Balances May 1	Additions	Deductions	Balances December 31
ASSETS				
Cash and investments	\$ 267,566	\$ 91,456	\$ 198,855	\$ 160,167
TOTAL ASSETS	\$ 267,566	\$ 91,456	\$ 198,855	\$ 160,167
LIABILITIES				
Due to others	\$ 267,566	\$ 91,456	\$ 198,855	\$ 160,167
TOTAL LIABILITIES	\$ 267,566	\$ 91,456	\$ 198,855	\$ 160,167

(See independent auditor's report.)

STATISICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	78-83
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	84-87
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	88-92
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	93-94
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	95-97

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement 34 in 2005; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NET ASSETS BY COMPONENT

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2008*
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt	\$ 3,364,719	\$ 8,381,071	\$ 12,877,625	\$ 12,816,465	\$ 12,473,431
Restricted	6,111,062	7,981,508	7,427,286	5,226,866	4,633,442
Unrestricted	4,319,926	3,603,532	996,608	(165,414)	734,102
TOTAL GOVERNMENTAL ACTIVITIES	\$ 13,795,707	\$ 19,966,111	\$ 21,301,519	\$ 17,877,917	\$ 17,840,975
BUSINESS-TYPE ACTIVITIES					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 2,723,992	\$ 2,345,316	\$ 2,365,709
Restricted	-	-	-	447,431	451,196
Unrestricted	-	-	991,922	179,705	(23,915)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ -	\$ -	\$ 3,715,914	\$ 2,972,452	\$ 2,792,990
PRIMARY GOVERNMENT					
Invested in capital assets, net of related debt	\$ 3,364,719	\$ 8,381,071	\$ 15,601,617	\$ 15,161,781	\$ 14,839,140
Restricted	6,111,062	7,981,508	7,427,286	5,674,297	5,084,638
Unrestricted	4,319,926	3,603,532	1,988,530	14,291	710,187
TOTAL PRIMARY GOVERNMENT	\$ 13,795,707	\$ 19,966,111	\$ 25,017,433	\$ 20,850,369	\$ 20,633,965

Note: The Village implemented GASB Statement 34 for its year ended April 30, 2005.

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Audited Financial Statements

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET ASSETS

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2008*
EXPENSES					
Governmental Activities					
General government	\$ 2,026,879	\$ 2,038,714	\$ 868,301	\$ 934,205	\$ 671,138
Building and zoning	-	-	999,072	1,364,665	215,819
Public safety	1,126,909	1,282,082	1,605,160	1,820,217	1,042,970
Buildings and grounds	132,610	24,251	-	-	-
Public works	-	-	4,183,459	5,089,875	2,099,964
Streets and bridges	3,519,409	4,102,918	-	-	-
Parks and recreation	145,882	101,391	93,776	348,662	245,056
Interest	-	-	7,076	1,393	8,201
Total governmental activities expenses	6,951,689	7,549,356	7,756,844	9,559,017	4,283,148
Business-Type Activities					
Aquatics	-	-	12,525	1,048,951	438,924
Total business-type activities expenses	-	-	12,525	1,048,951	438,924
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 6,951,689	\$ 7,549,356	\$ 7,769,369	\$ 10,607,968	\$ 4,722,072
PROGRAM REVENUES					
Governmental Activities					
Charges for services					
General government	\$ 1,948,771	\$ 2,528,832	\$ 442,180	\$ 372,551	\$ 120,698
Building and zoning	-	-	1,029,777	1,327,363	283,861
Public safety	52,416	214,318	242,085	278,600	121,431
Buildings and grounds	-	-	-	-	-
Public works	-	-	-	-	-
Streets and bridges	835,000	-	-	-	-
Parks and recreation	-	3,525,500	1,154	62,126	32,785
Operating grants and contributions	225,836	269,321	192,716	211,771	143,742
Capital grants and contributions	-	-	7,750,072	8,829	-
Total governmental activities program revenues	3,062,023	6,537,971	9,657,984	2,261,240	702,517
Business-Type Activities					
Charges for services					
Aquatics	-	-	-	243,291	240,828
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	10,000	-	-
Total business-type activities program revenues	-	-	10,000	243,291	240,828
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 3,062,023	\$ 6,537,971	\$ 9,667,984	\$ 2,504,531	\$ 943,345
NET (EXPENSES) REVENUES					
Governmental activities	\$ (3,889,666)	\$ (1,011,385)	\$ 1,901,140	\$ (7,297,777)	\$ (3,580,631)
Business-type activities	-	-	(2,525)	(805,660)	(198,096)
TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES	\$ (3,889,666)	\$ (1,011,385)	\$ 1,898,615	\$ (8,103,437)	\$ (3,778,727)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2008*
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental Activities					
Taxes					
Property	\$ 1,109,660	\$ 1,193,526	\$ 1,318,803	\$ 1,457,956	\$ 1,573,980
Road and bridge	16,643	17,036	19,323	24,253	26,044
Sales	179,902	125,850	122,734	134,837	99,675
Income and local use	407,213	532,097	584,360	685,653	542,330
Telecommunications	40,877	38,319	43,887	47,303	33,390
Replacement tax	1,204	1,584	1,722	1,996	1,190
Investment income	251,952	388,173	375,681	307,352	123,855
Miscellaneous	230,235	196,325	541,359	1,277,528	1,143,225
Gain on sale of capital assets	6,113	-	-	-	-
Total governmental activities	2,243,799	2,492,910	3,007,869	3,936,878	3,543,689
Business-Type Activities					
Investment income	-	-	144,838	56,872	11,846
Miscellaneous	-	-	-	5,326	6,788
Total business-type activities	-	-	144,838	62,198	18,634
TOTAL PRIMARY GOVERNMENT	\$ 2,243,799	\$ 2,492,910	\$ 3,152,707	\$ 3,999,076	\$ 3,562,323
CHANGE IN NET ASSETS					
Governmental activities	\$ (1,645,867)	\$ 1,481,525	\$ 4,909,009	\$ (3,360,899)	\$ (36,942)
Business-type activities	-	-	142,313	(743,462)	(179,462)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (1,645,867)	\$ 1,481,525	\$ 5,051,322	\$ (4,104,361)	\$ (216,404)

Note: The Village implemented GASB Statement 34 for its year ended April 30, 2005.

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Audited Financial Statements

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 1,399,599	\$ -	\$ -	\$ 47,383	\$ -	\$ 55,751
Unreserved	1,641,693	1,752,037	1,545,007	1,946,967	2,448,709	3,081,955	3,965,577	1,261,649	550,432	114,131
TOTAL GENERAL FUND	\$ 1,641,693	\$ 1,752,037	\$ 1,545,007	\$ 1,946,967	\$ 3,848,308	\$ 3,081,955	\$ 3,965,577	\$ 1,309,032	\$ 550,432	\$ 169,882
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,111,062	\$ 7,935,701	\$ 7,379,903	\$ 5,226,866	\$ 4,605,340
Unreserved, reported in										
Special Revenue Funds	128,442	60,465	26,711	36,270	159,041	1,354,673	-	-	66,773	445,725
Capital Projects Funds	-	-	-	-	7,745,908	-	-	-	(465,318)	516,527
Permanent Funds	44,017	44,017	44,568	44,568	44,568	-	-	-	-	-
TOTAL ALL OTHER GOVERNMENT FUNDS	\$ 172,459	\$ 104,482	\$ 71,279	\$ 80,838	\$ 7,949,517	\$ 7,465,735	\$ 7,935,701	\$ 7,379,903	\$ 4,828,321	\$ 5,567,592

Note: The substantial increase in reserved fund balance in the Other Governmental Funds for 2004 is due to the issuance Unlimited Ad Valorem Tax Bonds, Series 2003A, 2003B and 2003C and 2004A, 2004B and 2004C for Special Service Areas 1, 2 and 3.

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Audited Financial Statements

VILLAGE OF HAWTHORN WOODS, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
REVENUES										
Taxes	\$ 1,360,634	\$ 1,417,305	\$ 1,512,851	\$ 1,587,294	\$ 1,597,921	\$ 1,714,623	\$ 1,870,093	\$ 2,090,829	\$ 2,351,998	\$ 2,276,609
Licenses, permits and fees	479,760	518,964	686,467	912,186	2,014,039	2,877,063	2,806,969	1,689,836	1,970,632	535,720
Intergovernmental	126,388	132,522	263,593	177,364	177,025	225,836	269,321	192,716	220,600	143,742
Developer park donations	232,250	233,679	172,276	470,053	1,113,869	32,859	68,932	-	-	-
Investment income	63,352	136,857	107,661	84,707	190,866	251,952	388,173	375,681	307,352	123,855
Contribution from property owners	-	-	-	-	10,451,383	-	-	3,345,218	-	-
Miscellaneous	183,832	48,049	131,359	133,489	879,091	197,376	3,627,393	566,719	1,347,536	1,166,280
Total revenues	2,446,216	2,487,376	2,874,207	3,365,093	16,424,194	5,299,709	9,030,881	8,260,999	6,198,118	4,246,206
EXPENDITURES										
General government	501,059	519,625	659,694	894,266	2,215,176	2,011,744	2,025,831	921,354	921,407	654,730
Building and zoning	-	-	-	-	-	-	-	999,072	1,365,255	215,819
Public safety	670,532	732,027	699,074	838,579	950,491	1,148,993	1,270,570	1,514,586	1,779,245	926,758
Buildings and grounds	137,114	90,516	68,565	83,825	96,463	98,159	106,155	-	-	-
Public works	-	-	-	-	-	-	-	4,181,851	5,177,240	2,026,719
Streets and bridges	697,509	943,819	1,225,586	960,302	3,219,735	3,484,958	4,184,822	-	-	-
Parks and recreation	111,613	159,022	461,521	176,602	172,309	117,186	94,096	23,337	87,001	51,976
Capital outlay	-	-	-	-	-	11,091	126,640	147,158	191,351	2,284
Debt service										
Principal	-	-	-	-	-	-	-	105,307	25,514	105,881
Interest and fiscal charges	-	-	-	-	-	-	-	7,076	1,393	8,201
Total expenditures	2,117,827	2,445,009	3,114,440	2,953,574	6,654,174	6,872,131	7,808,114	7,899,741	9,548,406	3,992,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	328,389	42,367	(240,233)	411,519	9,770,020	(1,572,422)	1,222,767	361,258	(3,350,288)	253,838

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 4,230	\$ -	\$ -	\$ -	\$ -	\$ 2,700	\$ 50,208	\$ 4,505,399	\$ 1,091,000	\$ 2,501,275
Transfers (out)	-	-	-	-	-	(2,700)	(50,208)	(4,505,399)	(1,091,000)	(2,501,275)
Sale of capital assets	-	-	-	-	-	6,580	-	-	-	-
Installment contracts issued	-	-	-	-	-	-	130,821	-	102,809	104,883
Total other financing sources (uses)	4,230	-	-	-	-	6,580	130,821	-	102,809	104,883
NET CHANGE IN FUND BALANCES	\$ 332,619	\$ 42,367	\$ (240,233)	\$ 411,519	\$ 9,770,020	\$ (1,565,842)	\$ 1,353,588	\$ 361,258	\$ (3,247,479)	\$ 358,721
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.55%	0.30%	2.86%

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Audited Financial Statements

VILLAGE OF HAWTHORN WOODS, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate (A)	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1999	\$ 209,259,518	\$ 641,842	\$ 1,265,130	\$ 3,603	\$ 211,170,093	0.427	\$ 633,510,279	33.333%
2000	219,737,352	659,537	1,448,702	3,854	221,849,445	0.428	665,548,335	33.333%
2001	234,927,913	723,388	1,777,579	3,167	237,432,047	0.422	712,296,141	33.333%
2002	261,846,295	824,388	1,329,231	2,912	264,002,826	0.397	792,008,478	33.333%
2003	302,228,324	1,115,573	1,694,843	4,514	305,043,254	1.186	915,129,762	33.333%
2004	326,129,442	1,647,673	1,623,579	4,633	329,405,327	1.152	988,215,981	33.333%
2005	367,957,407	3,981,627	1,936,706	4,263	373,880,003	1.068	1,121,640,009	33.333%
2006	418,880,744	3,312,752	2,409,922	4,587	424,608,005	0.993	1,273,824,015	33.333%
2007	467,631,887	5,976,372	2,068,251	6,233	475,682,743	0.921	1,427,048,229	33.333%
2008	485,176,796	6,238,869	2,417,801	8,509	493,841,975	0.906	1,481,525,925	33.333%

(A) Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the Lake County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
ELA TOWNSHIP

Last Ten Levy Years

Tax Levy Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Village Direct Rates (A)										
Corporate	0.284	0.271	0.265	0.250	0.225	0.201	0.224	0.224	0.222	0.044
Police protection	0.072	0.063	0.065	0.063	0.064	0.044	0.054	0.051	0.047	0.167
Street and bridge - Ela	0.069	0.081	0.078	0.070	0.057	0.091	0.048	0.043	0.037	0.096
Audit tax	0.002	0.000	0.000	0.000	0.000	0.002	0.005	0.003	0.003	0.003
Liability insurance	0.000	0.013	0.014	0.014	0.016	0.015	0.014	0.012	0.011	0.011
Special recreation	0.000	0.000	0.000	0.000	0.007	0.011	0.010	0.013	0.013	0.013
Total direct rate without SSAs	0.427	0.428	0.422	0.397	0.369	0.364	0.355	0.346	0.333	0.334
Special Service Areas										
SSA #1	0.000	0.000	0.000	0.000	0.288	0.280	0.260	0.249	0.231	0.223
SSA #2	0.000	0.000	0.000	0.000	0.274	0.265	0.219	0.170	0.148	0.139
SSA #3	0.000	0.000	0.000	0.000	0.255	0.243	0.234	0.228	0.209	0.210
Total direct rate with SSAs	0.427	0.428	0.422	0.397	1.186	1.152	1.068	0.993	0.921	0.906
Overlapping Rates										
Lake County	0.521	0.521	0.516	0.502	0.490	0.465	0.454	0.450	0.444	0.453
Lake County Forest Preserve	0.187	0.231	0.221	0.232	0.225	0.219	0.210	0.204	0.201	0.199
Ela Township-Corp	0.100	0.094	0.096	0.093	0.086	0.085	0.085	0.086	0.082	0.084
Ela Township-R & B	0.011	0.011	0.012	0.013	0.011	0.011	0.010	0.010	0.010	0.005
Ela Township-Gravel	0.030	0.030	0.030	0.030	0.029	0.030	0.030	0.032	0.032	0.038
School District #95	3.925	4.022	4.484	4.366	4.092	4.082	4.040	3.992	3.830	3.899
School District #96	3.052	3.060	2.951	3.013	2.940	3.038	3.000	2.989	2.772	2.869
School District #79	2.709	2.689	2.670	2.582	2.635	2.572	2.565	2.529	2.379	2.435
Consolidated H.S. District #125	1.835	1.904	1.864	1.890	1.940	2.062	2.112	2.134	2.114	2.139
Community College #532	0.213	0.235	0.211	0.208	0.201	0.200	0.197	0.195	0.192	0.196
Ela Area Library	0.408	0.396	0.387	0.371	0.343	0.334	0.323	0.317	0.306	0.308
Countryside Fire District	0.470	0.462	0.458	0.436	0.420	0.422	0.400	0.398	0.390	0.417
Lake Zurich Fire District	0.315	0.305	0.298	0.378	0.365	0.358	0.493	0.511	0.547	0.561
Wauconda Fire District	0.492	0.494	0.492	0.466	0.450	0.450	0.434	0.425	0.421	0.432
Long Grove Fire District	0.275	0.273	0.518	0.514	0.503	0.547	0.526	0.549	0.547	0.549
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	14.970	15.155	15.630	15.491	15.916	16.027	15.947	15.814	15.188	15.490
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF HAWTHORN WOODS	2.9%	2.8%	2.7%	2.6%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%

The Village lies in Ela Township and Fremont Township. Only Ela Township is reflected as it represents 88% of the Village's assessed valuation.

(A) Property tax rates are per \$100 of assessed valuation.

(B) SSA #1 only is included in the share of total tax rate levied by the Village.

Data Source

Office of the County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Eight Years Ago

Taxpayer	2008 Tax Levy			2000 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Hawthorn Woods Country Club LLC	\$ 1,643,778	1	0.33%			
Toll Brothers	915,503	2	0.19%			
Aqua Illinois Regional Office	781,339	3	0.16%			
Toll IL HWCC, LP	753,174	4	0.15%			
Stonebridge & Associates	670,170	5	0.14%			
Boss Hob, LLC	521,927	6	0.11%			
Individual	514,556	7	0.10%			
Individual	490,911	8	0.10%			
Individual	484,564	9	0.10%			
Individual	467,994	10	0.09%			
Parkway Bank and Trust Company				\$ 580,241	1	0.26%
Individual				357,391	2	0.16%
Individual				341,458	3	0.15%
Individual				288,558	4	0.13%
Individual				274,163	8	0.12%
Individual				285,692	5	0.13%
Individual				276,619	6	0.12%
Individual				274,379	7	0.12%
Individual				273,743	9	0.12%
Individual				271,211	10	0.12%
	<u>\$ 7,243,916</u>		<u>1.47%</u>	<u>\$ 3,223,455</u>		<u>1.43%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Information was not available prior to the 2000 tax levy.

Data Source

Office of the Lake County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Levy Collections	
		Amount	Percentage of Levy
1999	\$ 898,168	\$ 897,098	99.88%
2000	946,269	946,460	100.02%
2001	997,888	998,310	100.04%
2002	1,043,522	1,043,046	99.95%
2003	1,939,804	1,935,603	99.78%
2004	2,043,287	2,041,151	99.90%
2005	2,191,419	2,188,454	99.86%
2006	2,334,932	2,332,597	99.90%
2007	2,603,490	2,569,122	98.68%
2008	2,887,089	(A)	N/A

(A) Collections for the 2008 Tax Levy Year will not be received until fiscal year 2010.

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Note: Collection of property tax in subsequent years is immaterial.

Data Source

Office of the County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Contracts Payable	General Obligation Bonds	Revenue Bonds Payable	Capital Leases			
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-
2001	-	-	-	-	-	-	0.00%	-
2002	-	-	-	-	-	-	0.00%	-
2003	-	-	-	-	-	-	0.00%	-
2004	-	-	-	-	-	-	0.00%	-
2005	-	-	-	-	-	-	0.00%	-
2006	-	130,821	-	-	-	130,821	0.04%	22
2007	-	25,514	-	-	-	25,514	0.01%	4
2008	-	102,809	-	2,805,000	-	2,907,809	0.98%	377
2008**	-	101,811	-	2,805,000	-	2,906,811	0.98%	377

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

* See the schedule of Demographic and Economic Information on page 93 for personal income and population data.

**The Village changed its fiscal year end to December 31, 2008.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

The Village of Hawthorn Woods has had no General Bonded Debt Outstanding in the last ten fiscal years.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2008

Governmental Unit	Gross Debt (A)	Percentage Debt Applicable to the Village of Hawthorn Woods (B)	Village of Hawthorn Woods Share of Debt
Village of Hawthorn Woods	\$ -	100.000%	\$ -
Lake County, including Forest Preserve District	236,524,438	1.550%	3,666,129
School District #95	54,113,612	15.380%	8,322,674
School District #96	13,090,000	0.690%	90,321
School District #79	31,493,594	23.210%	7,309,663
H.S. District #125	35,828,616	3.240%	1,160,847
Community College #532	12,672,475	1.640%	207,829
Ela Area Library	12,040,000	19.960%	2,403,184
Village Special Service Areas #1, #2 and #3	<u>12,695,000</u>	100.000%	<u>12,695,000</u>
TOTAL OVERLAPPING DEBT	<u><u>\$ 408,457,735</u></u>		<u><u>\$ 35,855,647</u></u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 408,457,735</u></u>		<u><u>\$ 35,855,647</u></u>

(A) Gross debt is calculated as of December 31, 2008.

(B) Determined by ratio of assessed valuation of property subject to taxation in the Village of Hawthorn Woods to valuation of property subject to taxation in overlapping unit.

(C) Overlapping percentages are based on 2008 EAVs, the most current available.

Data Source

Office of the Lake County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Revenues*	Principal	Interest	Coverage
2000	\$ -	\$ -	\$ -	\$ -
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	272,027	-	-	-
2008**	291,643	-	133,238	2.19

Revenue Bonds were issued June 15, 2007; no principal or interest payments were required during fiscal year 2008.

*As defined in applicable bond indentures and governing laws.

**The Village changed its fiscal year end to December 31, 2008.

Data Source: Village Records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2008

Maximum allowable general obligation debt (8.625% of assessed valuation of \$493,841,975)	\$ 42,593,870
General obligation bonds	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 42,593,870</u></u>

VILLAGE OF HAWTHORN WOODS, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
2000	6,002	\$ 296,174,692	\$ 49,346	0.9
2001	6,002	296,174,692	49,346	0.9
2002	6,002	296,174,692	49,346	1.0
2003	6,002	296,174,692	49,346	0.6
2004	6,002	296,174,692	49,346	0.9
2005	6,002	296,174,692	49,346	1.2
2006	6,002	296,174,692	49,346	0.8
2007	6,002	296,174,692	49,346	4.6
2008	7,716	296,174,692	49,346	5.1
2008*	7,716	296,174,692	49,346	6.2

*The Village changed its fiscal year end to December 31, 2008.

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Illinois Bureau of Employment Security

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

Employer	2008			2000		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Community Unit School District -						
Spencer Loomis	90.0	1	1.2%			
Kemper Sports	70.0	2	0.9%			
Toll Brothers	45.0	3	0.6%			
Village of Hawthorn Woods	30.0	4	0.4%	20.0	1	0.3%
Hawthorn Gardens	27.0	5	0.3%	18.0	3	0.3%
Barn Nursery	22.0	6	0.3%	11.0	6	0.2%
Country Bumpkin	20.0	7	0.3%	15.0	4	0.2%
St. Matthew Lutheran Church and School	19.0	8	0.2%	18.5	2	0.3%
RH Insurance	14.0	9	0.2%			
Toddler Tyme	13.0	10	0.2%	13.0	5	0.2%
Red Coat Farm				9.0	8	0.1%
Oregonos				10.5	7	0.2%
Cambridge Bank				4.5	9	0.1%
CherryHill Cleaners				4.0	10	0.1%
TOTAL	<u>350</u>			<u>124</u>		

The most recent information is from the Year 2000.

Data Source

Village Records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
GENERAL GOVERNMENT										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Finance	1.0	1.0	1.0	1.0	1.5	1.5	2.0	2.0	1.0	1.0
Building and zoning	2.0	1.5	2.5	2.5	2.5	2.5	3.5	3.5	1.0	1.0
Parks and recreation	-	-	-	-	-	-	-	1.0	1.0	1.0
PUBLIC SAFETY										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Officers	8.0	9.0	10.0	11.0	13.0	13.0	15.0	15.0	11.0	11.0
HIGHWAYS AND STREETS										
Administration	1.0	1.0	1.5	1.5	2.0	2.0	2.0	2.0	1.0	1.0
Street maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0	3.0
TOTAL	20.0	20.5	23.0	24.0	27.0	27.0	30.5	32.5	22.0	22.0

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Village Records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
PUBLIC SAFETY										
Police										
Physical arrests	N/A	67	66	78	138	135	209	232	212	146
Parking violations	N/A	N/A	N/A	N/A	N/A	N/A	150	257	508	405
Traffic violations	1,801	1,506	1,879	1,387	3,174	3,167	3,248	3,734	2,624	1,493
PUBLIC WORKS										
Vehicles maintained by dept	14.0	15.0	15.0	16.0	18.0	20.0	21.0	20.0	20.0	16.0
Street reconstruction (miles)	0.5	0.5	0.5	4.0	4.0	4.0	4.0	4.5	3.0	-
Street resurfacing (miles)	1.0	1.0	1.0	3.0	3.0	3.0	3.0	1.0	2.0	6.0

N/A - Data was not available

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Various Village departments

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008*
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	1	1	1	1	1	1	2	2	2	2
Patrol units	8	9	10	11	13	13	15	16	10	10
PUBLIC WORKS										
Miles of streets	46.4	46.4	46.4	46.4	47.4	47.4	47.4	47.4	58.0	58.0
Streetlights	35	35	35	35	38	38	38	38	38	38
Traffic signals	2	2	2	2	2	2	2	2	2	2
WASTEWATER										
Storm sewers	19	19	19	22	22	22	24	24	24	24

*The Village changed its fiscal year end to December 31, 2008.

Data Source

Various Village departments