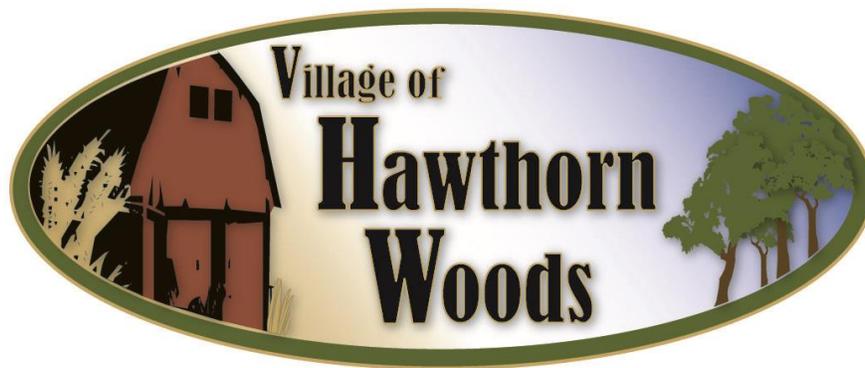


**VILLAGE OF
HAWTHORN WOODS, ILLINOIS**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2014

Prepared By

The Finance Department

VILLAGE OF HAWTHORN WOODS, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF HAWTHORN WOODS, ILLINOIS

LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2014

VILLAGE OF BOARD TRUSTEES

Joseph Mancino, Mayor

Kelly Corrigan

Michael David

Dominick DiMaggio

Neil Morgan

Peter Ponzio

Steve Riess

Chief Operating Officer
Pamela O. Newton, MSOL

Chief Administrative Officer/Village Clerk
Donna Lobaito

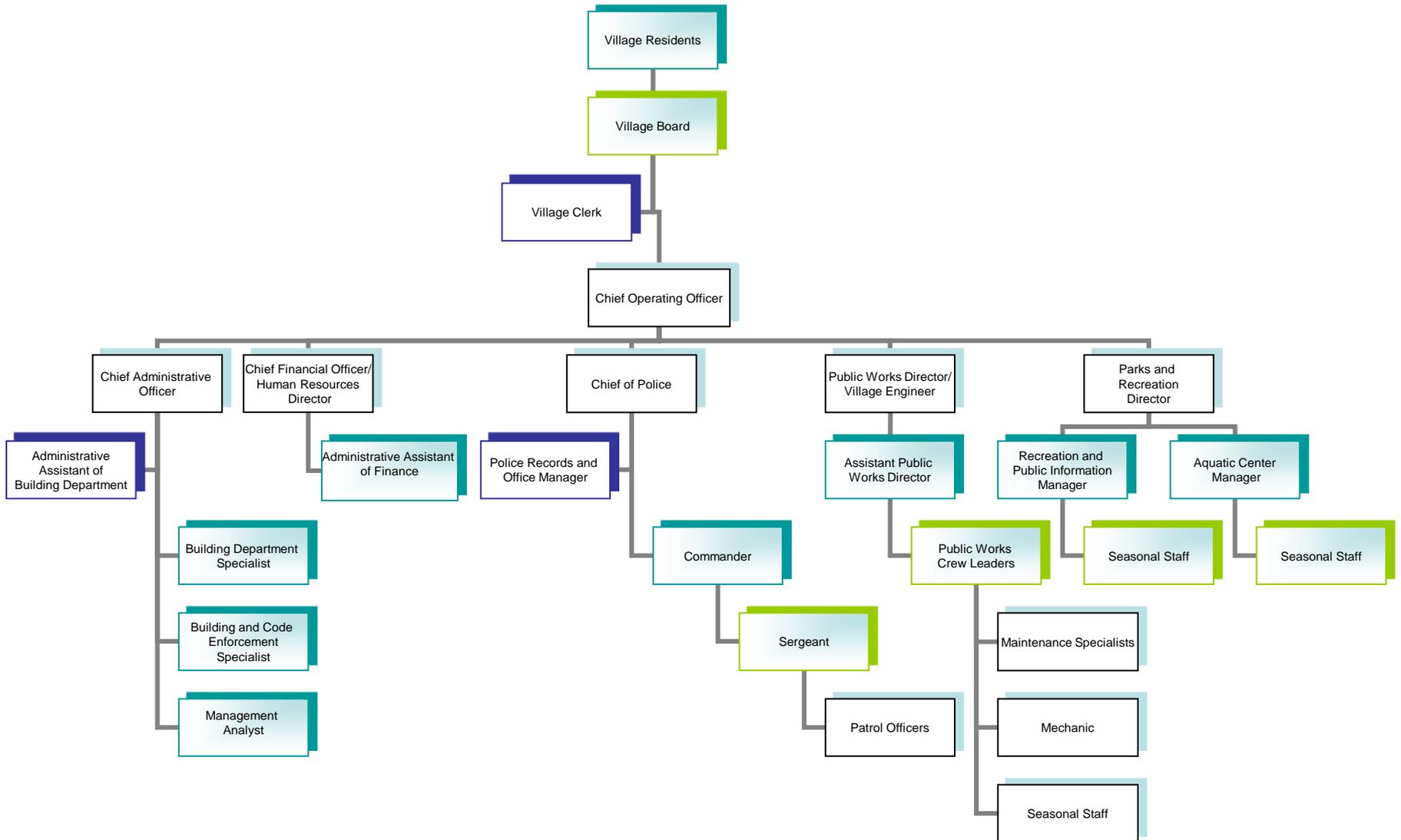
Chief Financial Officer/Human Resources Director
Kristin N. Kazenas, CPA, MBA

Chief of Police
Jennifer Paulus

Director of Public Works/Village Engineer
Erika Frable, PE

Director of Parks and Recreation
Brian J. Sullivan, CPRP, MPA, CPSI

Village of Hawthorn Woods – Organizational Chart





Government Finance Officers Association

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

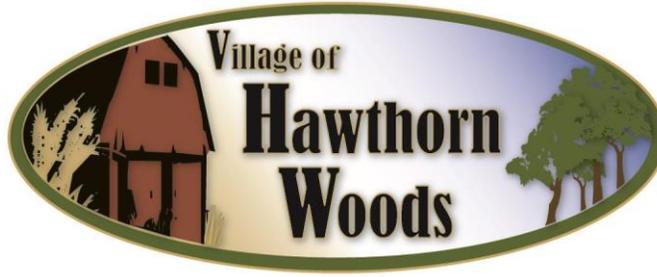
Presented to

**Village of Hawthorn Woods
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



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

April 15, 2015

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

The annual report for the Village of Hawthorn Woods, Illinois, for the year ended December 31, 2014 is hereby submitted. The submittal of this report meets the State of Illinois requirement for 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.

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 unmodified opinion on the Village of Hawthorn Woods' financial statements for the year ended December 31, 2014. 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 7,663. This represents a 27% increase from a decade ago. 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 development, and recently updated the Comprehensive Plan to guide this development. The Village is also actively pursuing annexations of unincorporated land to expand municipal boundaries.

The Village is governed by a Board consisting of a mayor and six trustees, all of whom are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The board is responsible for, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Chief Operating Officer 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 elected officials collectively work as a unified Board, volunteer their time and resources to advance good government, and remain supportive of the professionals who run daily departmental operations of the Village government.

The Chief Operating Officer is responsible for administering Board policy and conducting the day-to-day operations of the Village, which include a wide range of services and departments. Those services include administrative, financial, police protection, public works, planning and zoning, economic development, parks and recreation, code enforcement, and cultural/community events. The Chief Operating Officer also serves as the Chief of Staff for the Village. The Chief Operating Officer is also charged with review of the annual budget as prepared by the Chief Financial Officer.

The Village adopts a budget annually in November, but by ordinance no later than December 31st of each year. The zero-based budget serves as the foundation for the Village's financial planning and control. The budget is prepared by each departmental Director 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. Overall, the Budget is reviewed by over 50 citizen volunteers through this comprehensive committee process.

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. The nationwide economic recession had negatively impacted the Village's revenue streams for the past several years. However, as the economic recovery has progressed, the Village has recently experienced an upturn in new housing starts, building additions and renovations. In the last quarter of 2014, the Village Board approved a new 220 home Pulte development at the corner of Gilmer Road and Midlothian Road. The Village is currently considering several new development plans and annexations of land that will spur economic development growth for the foreseeable future. Specifically,

a .7 acre property was annexed in 2014 near Route 12 and Old McHenry Road commonly referred to as Kinfolk Coffee property. While currently vacant, plans are contemplated for a coffee shop and bakery.

Additionally, Orleans Homes purchased the development already in progress known as Countryside Meadows located on Gilmer Road. This stalled development has seen an upswing in the fourth quarter of 2014, with additional semi-custom home starts.

In addition, sales tax revenues and income tax revenue collections have improved over the prior years. In February 2014, a new Mariano's grocery store opened at the corner of Route 22 and Quentin Road. The Village received a percentage of the sales tax revenues generated due to an intergovernmental agreement with the Villages of Lake Zurich and Kildeer. Although the economy is showing signs of improvement, the Village remains vigilant in aggressively monitoring operating and capital expenditures to sustain its financial stability.

Long-term Financial Planning

The budget for the twelve months ended December 31, 2015 is balanced. The focus for managing the 2015 budget will involve critically examining each line item searching for opportunities for cost savings and improved efficiencies and increasing revenues through non-property tax initiatives. The Village Board's directive for the past five years indicated a strong Village commitment to annually increase our fund balances as a priority for long term financial health. The Village is pleased to report that as of December 31, 2014, the fund balance in the general fund is \$1,943,698, which is equal to 48% of the 2015 expenditure budget. This balance exceeds the Village's goal of 35% of the following year's annual operating budget.

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, diversification of assets and purchase order policy. All expenditures go through a multi-tier review with efforts to secure reduced pricing on all purchase orders. Additionally, the Village has seen success in 2014 that generated non-tax revenues from business and developer donations. All Village transactions are reviewed monthly by the Finance committee, comprised of community professionals, as well as the Mayor and Board of Trustees before fund payments are formally approved for release.

Major Initiatives

The Village is pro-actively working to expand sustainable non-property tax revenue streams. In addition, there have been land annexation negotiations initiated in 2014 that will bring new revenues to the Village in 2015 and ongoing. As a result, the Village will receive all property tax revenue and potential sales tax revenues, as well as permits and fees, for these additional properties.

Economic Development planning is underway now that water and sewer utilities are complete within the Town Center known as the Main on Midlothian corridor. In addition, the Village's Uptown District, known as the Northern Planning Area, will be under review for utility expansion services later this year. Land parcel annexations are still anticipated in this Northern area for Village expansion.

Additionally, one major developer, ICON builders, continues to be the leader in building single family homes. Hawthorn Woods leads the surrounding communities in new housing construction starts as a result of their home building success. The Pulte Group has completed three model homes and is poised for brisk sales in 2015. William Ryan Homes is in the entitlement process proposing 60 new homes in the Stonebridge development located off of Old McHenry Road. Additionally, Orleans Homes is seeking authorization to construct a 28 unit single family one-acre residential development known as Stonewood Glen that proposes to bring upscale housing to Old McHenry Road. Several national homebuilders are in discussions with Hawthorn Woods for development approvals in 2015. As these land plans work their way through the entitlement process, the 2015 budget conservatively reflects this growth in revenue.

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 year ended December 31, 2014. This was the ninth (9th) consecutive year the Village received this prestigious award. 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.

We express our appreciation to Mayor Joseph Mancino, the Village Board of Trustees and the Finance Committee for their support in planning and conducting the financial operations of the Village of Hawthorn Woods in a responsible and innovative manner. We are pleased to present to you the Comprehensive Annual Financial Report as we continue to pursue our goal of increasing cash reserves, controlling expenditures, and operating municipal services with excellence within a balanced budget.

Respectfully Submitted,



Pamela O. Newton, MSOL
Chief Operating Officer



Kristin N. Kazenas, CPA
Chief Financial Officer

FINANCIAL SECTION



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Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, the 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 year ended December 31, 2014 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Village adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. GASB Statement No. 67 resulted in the modification of certain disclosures and required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
April 15, 2015

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Our discussion and analysis of the Village of Hawthorn Wood's financial performance provides an overview of the Village's financial activities for the year ended December 31, 2014. 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's total net position was \$20,089,793 as of December 31, 2014. Unrestricted net position (net position used to meet ongoing operations) totaled \$3,328,180. Restricted net position totaled \$1,768,310 and net position invested in capital assets totaled \$14,993,303.
- The Village's net position increased as a result of this year's operations. While net position of business-type activities decreased by \$9,466, or 0.4 percent, net position of the governmental activities increased by \$638,841, or 3.7 percent. The primary reason for the decrease in business-type activities net position relates to some minor repairs at the Aquatic Center including removal of a waste storage tank. The primary reason for the increase in governmental activities relates to grants received for updating the comprehensive plan, landscape improvements at the Public Works facility and Aquatic Center, and FEMA funding for disaster recovery.
- Capital assets net of depreciation totaled \$17,452,107 as of December 31, 2014, a decrease of \$277,186, due primarily to depreciation expense for the year ended December 31, 2014 exceeding capital asset additions.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position 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 6. 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, 2014

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 Position reports information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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 position changed during the most recent fiscal year. All changes in net position 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, 2014

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 eleven 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, Park Donation Fund, Motor Fuel Tax Fund, Community Development Fund, Parks and Recreation, Debt Service Fund, and the Canadian National Project Fund all of which are considered major funds. The Village also reports four non-major governmental funds: the Connection Fees Fund, the Ike Planning Grant Fund, the Sister Cities Fund and the Capital Improvements Fund.

The Village adopts an annual appropriated budget for all of the governmental funds, (except the Connection Fees Fund, the Ike Planning Grant Fund, the Sister Cities Fund and the Debt Service 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.

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.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

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 - 47 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 48 - 59 of this report. Budgetary comparison schedules for the General Fund, Motor Fuel Tax Fund, Community Development Fund and Parks and Recreation Fund are also presented in the required supplementary information and can be found on pages 48-51. 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 62-78 of this report.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position 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 \$20,089,793.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2013	Year Ended 12/31/2014
Current and Other Assets	\$ 13,860,857	\$ 13,238,311	\$ 454,714	\$ 425,328	\$ 14,315,571	\$ 13,663,639
Capital Assets	13,237,343	13,339,396	4,214,764	4,389,897	17,452,107	17,729,293
Deferred Outflows	-	-	37,342	39,446	37,342	39,446
Total Assets & Deferred Outflows	27,098,200	26,577,707	4,706,820	4,854,671	31,805,020	31,432,378
Other Liabilities	1,335,133	885,510	4,308	2,065	1,339,441	887,575
Long-Term Debt	6,002,625	6,804,206	2,496,146	2,636,774	8,498,771	9,440,980
Deferred Inflows	1,877,015	1,842,111	-	-	1,877,015	1,842,111
Total Liabilities & Deferred Inflows	9,214,773	9,531,827	2,500,454	2,638,839	11,715,227	12,170,666
Net Position						
Invested in Capital Assets	13,237,343	13,339,396	1,755,960	1,792,569	14,993,303	15,131,965
Restricted	1,463,134	1,190,127	305,176	261,253	1,768,310	1,451,380
Unrestricted (Deficit)	3,182,950	2,516,357	145,230	162,010	3,328,180	2,678,367
Total Net Position	\$ 17,883,427	\$ 17,045,880	\$ 2,206,366	\$ 2,215,832	\$ 20,089,793	\$ 19,261,712

A large portion of the Village's net position, \$14,993,303 or 74.6 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, \$1,768,310 or 8.8 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. As of December 31, 2014, the Village is reporting unrestricted net position of \$3,328,180 or 16.6 percent. Unrestricted net position 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, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013
Revenues						
Program Revenues						
Charges for Services	\$ 1,573,054	\$ 1,270,648	\$ 278,611	\$ 290,121	\$ 1,851,665	\$ 1,560,769
Operating Grants/Contrib.	340,582	265,617	-	-	340,582	265,617
Capital Grants/Contrib.	463,240	344,094	-	-	463,240	344,094
General Revenues						
Property Taxes	1,886,580	1,852,159	-	-	1,886,580	1,852,159
Road and Bridge Taxes	18,420	17,196	-	-	18,420	17,196
Sales Taxes	179,487	127,735	-	-	179,487	127,735
Income and Use Taxes	882,939	860,915	-	-	882,939	860,915
Replacement Taxes	1,761	1,725	-	-	1,761	1,725
Telecomm./Utility Taxes	600,113	607,417	-	-	600,113	607,417
Other General Revenues	739,404	281,974	1,488	42,723	740,892	324,697
Total Revenues	6,685,580	5,629,480	280,099	332,844	6,965,679	5,962,324
Expenses						
General Government	1,433,958	1,547,590	-	-	1,433,958	1,547,590
Building and Zoning	865,096	511,300	-	-	865,096	511,300
Public Safety	1,405,975	1,287,164	-	-	1,405,975	1,287,164
Public Works	1,052,568	846,084	-	-	1,052,568	846,084
Parks and Recreation	807,156	689,946	-	-	807,156	689,946
Interest on Long-Term Debt	183,730	102,925	-	-	183,730	102,925
Aquatics	-	-	587,821	610,695	587,821	610,695
Total Expenses	5,748,483	4,985,009	587,821	610,695	6,336,304	5,595,704
Change in Net Position Before Transfers	937,097	644,471	(307,722)	(277,851)	629,375	366,620
Transfers	(298,256)	(259,849)	298,256	259,849	-	-
Change in Net Position	638,841	384,622	(9,466)	(18,002)	629,375	366,620
Net Position-Beginning	17,045,880	16,661,258	2,215,832	2,233,834	19,261,712	18,895,092
Prior Period Adjustment	198,706	-	-	-	198,706	-
Net Position-Beginning, as Restated	17,244,586	16,661,258	2,215,832	2,233,834	19,460,418	18,895,092
Net Position-Ending	\$ 17,883,427	\$ 17,045,880	\$ 2,206,366	\$ 2,215,832	\$ 20,089,793	\$ 19,261,712

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

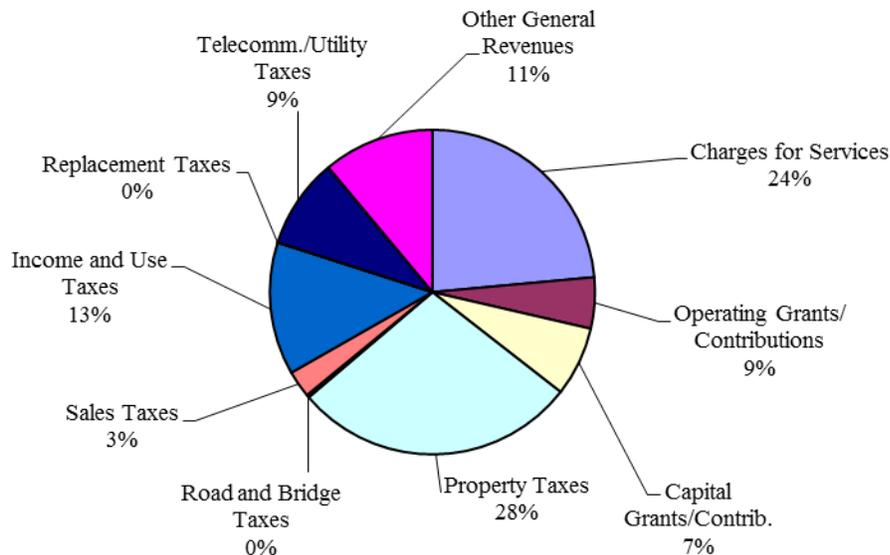
Net position of the Village's governmental activities increased by 3.7 percent (\$17,883,427 as of December 31, 2014 compared to \$17,244,586, as of December 31, 2013-as restated). The \$638,841 increase in governmental activities net position resulted from several factors. Consistent with the prior year, there was diligent budget monitoring efforts by management, including delaying expenditures until adequate revenues were received, supplemented by new revenue sources.

Net position of business-type activities decreased by 0.4 percent (\$2,206,366 as of December 31, 2014 compared to \$2,215,832 as of December 31, 2013). The \$9,466 decrease in business-type activities net position is attributable to some minor repairs at the Aquatic Center including removal of a waste storage tank.

Governmental Activities

Revenues for governmental activities totaled \$6,685,580, while the cost of all governmental functions totaled \$5,748,843. This results in an increase in net position before transfers of \$937,097. For the year ended December 31, 2013, revenues of \$5,629,480 were more than expenses of \$4,985,009, resulting in an increase in net position before transfers of \$644,471. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, telecommunications/utility taxes and income/use taxes to fund governmental activities.

**Revenues by Source -
Governmental Activities December 31, 2014**



VILLAGE OF HAWTHORN WOODS, ILLINOIS

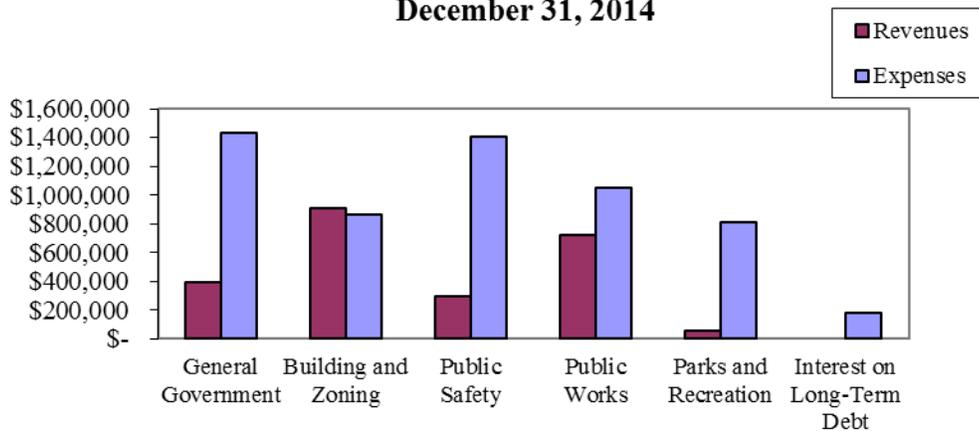
Management's Discussion and Analysis December 31, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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

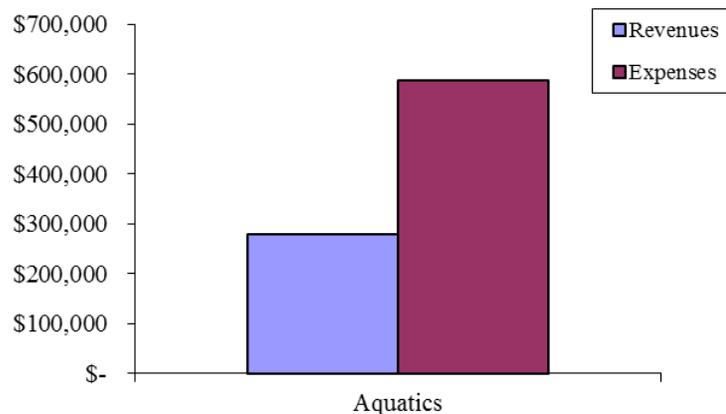
**Expenses and Program Revenues - Governmental Activities
December 31, 2014**



Business-Type activities

Business-Type activities posted total revenues of \$280,099, while the cost of all business-type activities totaled \$587,821. This results in a decrease in net position before transfers of \$307,722. As stated earlier, this decrease is attributable to the depreciation expense, principal and interest payments and operations of the aquatic center facility. For the year ended December 31, 2013, revenues of \$332,844 were less than expenses of \$610,695, resulting in a decrease in net position before transfers of \$277,851.

Expenses and Program Revenues - Business-Type Activities December 31, 2014



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

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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, unrestricted (assigned and unassigned) 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 \$10,648,709, which is \$138,019 or 1.3 percent, higher than last year's total of \$10,510,690. Of the \$10,648,709 total, \$82,947, or 0.8 percent, of the fund balance constitutes nonspendable fund balance; \$7,098,134 or 66.7 percent of the fund balance is restricted for highways and streets, debt service, capital improvements, and special recreation; \$3,011,147, or 28.3 percent of the fund balance is assigned for cash reserves, capital improvements and the sister cities program; and \$456,481 or 4.3 percent is unassigned.

The General Fund reported an increase in fund balance for the year ended December 31, 2014 of \$188,114, an increase of 10.7 percent. The estimated increase in the General Fund fund balance in the 2014 approved budget was \$49,615. Therefore, the actual results were 279.1 percent higher than the budget projections. The positive revenue collections (\$221,387 higher than budgeted) were complemented by positive variances in expenditures (\$68,893 less than budgeted). A detailed discussion of these variances follows on page MD&A-11. As of December 31, 2014, the Village achieved its fund balance goal of an ending fund balance at least 35% of the following year's expenditure budget, \$1,332,063 of the ending fund balance in the General Fund is assigned for cash reserves.

The Park Donation 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 Park Donation fund reported a decrease in fund balance in the current year of \$2,801 due primarily to the transfer of the park donation revenues to the Aquatic Center Debt Service Fund. Ending fund balance at December 31, 2014 was \$296.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

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 restricted for road repair and construction. The Motor Fuel Tax Fund reported an increase in fund balance in the current year of \$69,548 due to improved motor fuel tax collections (\$84,551 higher than budgeted) and cost savings in the expenditures (\$94,807 less than budgeted). Ending fund balance at December 31, 2014 was \$568,544.

The Community Development special revenue fund is used to account for nonrecurring revenue sources such as developer donations, building permits, and contractor licenses. The Community Development Fund reported an increase in fund balance in the current year of \$216,195 due primarily to license, permits and fees revenue being higher than expenditures. Permits were \$925,966 higher than budgeted. Expenditures were \$498,160 higher than budgeted due to increased inspections required by the additional permit revenue. Ending fund balance at December 31, 2014 was \$1,428,206.

The Parks and Recreation Fund is used to account for all activities related to the Village's parks and recreational activities (with the exception of the Aquatic Center activities, which are reported in a separate enterprise fund). These activities are recorded in four departments: Administration, Programs, Park Maintenance and Special Recreation (which accounts for the special recreation restricted tax levy and related expenditures.) The Parks and Recreation Fund reported a decrease in fund balance in the current year of \$70,484 due primarily to funding for several park improvement projects. Ending fund balance at December 31, 2014 was \$413,143.

The Debt Service Fund is used to account for the \$6,240,000 2013 debt certificates. In November 2013, the Village purchased special service area number 1, 2 and 3 current refunding bonds, (the "Refunded Bonds"). The refunded bonds were purchased with proceeds generated from the issuance of debt certificates (the "Certificates") issued by the Village. The Certificates will be repaid from the repayment of the Refunded Bonds held by the Village. The Refunded Bonds are payable from the respective special service area bond levies. Ending fund balance at December 31, 2014 was \$5,749,343.

The Canadian National Project Fund accounts for funds received from Canadian National for noise mitigation projects and reported an increase in fund balance of \$477 due primarily to interest income. Ending fund balance at December 31, 2014 was \$19,346.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

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 position in the Aquatics Fund during the current fiscal year was \$9,466, while the previous fiscal year reported a decrease in net position of \$18,002. As stated earlier, the decrease in net position in the Aquatics Fund in the current year is attributable primarily to some minor repairs at the Aquatic Center, including the removal of a waste storage tank. Unrestricted net position in the Aquatics Fund totaled \$145,230 at December 31, 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$4,072,748, compared to budgeted revenues of \$3,851,361. There are several reasons for the positive variance: revenues were \$221,387 higher than budgeted: significant positive revenue variances included grant revenue (\$112,344 higher than budgeted); sales tax sharing revenue (\$35,604 higher than budgeted); and miscellaneous revenue (\$61,563 higher than budgeted.) These positive revenue variances were offset by a negative variance in telecommunications taxes (\$48,004 lower than budgeted.)

The General Fund actual expenditures for the year were \$68,893 less than budgeted (\$3,626,318 actual compared to a final budget of \$3,695,211). Some significant differences between the actual expenditures and budgeted expenditures are highlighted below:

- The administration function reported actual expenditures of \$357,278 compared to budget of \$422,264, resulting in a positive variance of \$64,986. This positive variance was primarily due to the mid-year hire of a position budgeted for the full year and the \$25,000 contingency budget line item was not utilized.
- The legal function reported actual expenditures of \$95,873 compared to budget of \$124,000, resulting in a positive variance of \$28,127. This positive variance was primarily due to the fact that there were no significant legal issues during 2014.
- The public safety function reported actual expenditures of \$1,419,335, compared to budget of \$1,373,535 resulting in a negative variance of \$45,800. This negative variance was primarily due to the purchase of two squad cars utilizing restricted vehicle supervision and DUI funds. There is a corresponding positive miscellaneous revenue variance which records the transfer of these funds.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

- The public works function reported actual expenditures of \$750,954 compared to budgeted expenditures of \$729,330 resulting in a negative variance of \$21,624. This negative variance was primarily due to an emergency repair of a drainage pipe resulting from the April 2013 flooding. The cost of the repair was covered 75% by FEMA and 25% by the Village.

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, 2014 was \$17,452,107 (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 Activities		Business-type Activities		Total	
	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013
Land	\$ 6,557,081	\$ 6,557,081	\$ 417,459	\$ 417,459	\$ 6,974,540	\$ 6,974,540
Sanitary Sewer System	2,213,169	2,280,235	-	-	2,213,169	2,280,235
Buildings and Improvements	3,599,565	3,793,583	3,680,053	3,838,385	7,279,618	7,631,968
Equipment and Vehicles	867,528	708,497	117,252	134,053	984,780	842,550
Total	\$ 13,237,343	\$ 13,339,396	\$ 4,214,764	\$ 4,389,897	\$ 17,452,107	\$ 17,729,293

Capital additions were as follows:

Governmental Activities		
Buildings and Improvements		\$ 75,355
Equipment and Vehicles		<u>288,112</u>
		<u>363,467</u>
Business-Type Activities		
Equipment and Vehicles		<u>\$ -</u>

Additional information on the Village's capital assets can be found in note 4 on pages 28-29 of this report.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$8,120,000 as compared to \$8,865,000 the previous year. During 2014, the Village issued no new debt, and made the scheduled principal and interest payments on the outstanding revenue bonds and debt certificates. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2013
Revenue Bonds	\$ -	\$ -	\$ 2,485,000	\$ 2,625,000	\$ 2,485,000	\$ 2,625,000
Debt Certificates	5,635,000	6,240,000	-	-	5,635,000	6,240,000
Total	\$ 5,635,000	\$ 6,240,000	\$ 2,485,000	\$ 2,625,000	\$ 8,120,000	\$ 8,865,000

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 \$33,332,130.

On March 16, 2012, the Village issued \$3,000,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2013 to refund the \$2,570,000 of the Revenue Bonds (Aquatic Center Project), Series 2007. The Series 2007 bond payments were to be made primarily from park donation fees. Due to the downturn in the economy, the anticipated park donation fees did not materialize, jeopardizing the Village's ability to make the scheduled debt payments. The Series 2013 refunding bonds were issued to ensure the Village's ability to make the required debt payments, as follows: 1) extending the term of the bonds from 15 years to 18 years, 2) adding a new utility tax revenue pledge to provide a sustainable revenue source to fund the debt payments, and 3) restructuring the principal payments more evenly.

On November 12 2013, the Village purchased special service area number 1, 2 and 3 current refunding bonds, (the "Refunded Bonds"). The refunded bonds were purchased with proceeds generated from the issuance of debt certificates (the "Certificates") issued by the Village. The Certificates will be repaid from the repayment of the Refunded Bonds held by the Village. The Refunded Bonds are payable from the respective special service area bond levies.

Additional information on the Village's long-term debt can be found in Note 5 on pages 29-32 of this report.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

Management's Discussion and Analysis December 31, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the year ended December 31, 2014 and December 31, 2015 budgets, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Signs of economic recovery such as increased building permits and lower unemployment rates and CPI indices were taken into consideration when setting the budget, rates, and fees for the year ended December 31, 2014 and December 31, 2015.

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, Chief Financial Officer/Director of Human Resources, Village of Hawthorn Woods, 2 Lagoon Drive, Hawthorn Woods, Illinois 60047.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 11,448,474	\$ 458,991	\$ 11,907,465
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,877,015	-	1,877,015
Utility tax	37,879	-	37,879
Accounts	95,371	723	96,094
Court fines	6,364	-	6,364
Prepaid expenses	82,947	-	82,947
Due from other governments			
Sales tax	25,947	-	25,947
Sales tax sharing	5,176	-	5,176
Use tax	40,227	-	40,227
Income tax	85,839	-	85,839
Franchise tax	31,786	-	31,786
Telecommunication tax	48,592	-	48,592
Motor fuel tax	19,297	-	19,297
Grants	50,943	-	50,943
Due from (to) other funds	5,000	(5,000)	-
Capital assets not being depreciated	6,557,081	417,459	6,974,540
Capital assets (net of accumulated depreciation)	6,680,262	3,797,305	10,477,567
Total assets	27,098,200	4,669,478	31,767,678
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	37,342	37,342
Total deferred outflows of resources	-	37,342	37,342
Total assets and deferred outflows of resources	27,098,200	4,706,820	31,805,020
LIABILITIES			
Accounts payable	170,744	1,306	172,050
Wages payable	98,540	2,842	101,382
Unearned revenue - other	-	160	160
Deposits payable	904,781	-	904,781
Unearned revenue - grants	161,068	-	161,068
Long-term liabilities			
Due within one year	647,472	145,000	792,472
Due in more than one year	5,355,153	2,351,146	7,706,299
Total liabilities	7,337,758	2,500,454	9,838,212
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	1,877,015	-	1,877,015
Total deferred inflows of resources	1,877,015	-	1,877,015
Total liabilities and deferred inflows of resources	9,214,773	2,500,454	11,715,227
NET POSITION			
Net investment in capital assets	13,237,343	1,755,960	14,993,303
Restricted for			
Highways and streets	568,544	-	568,544
Debt service	114,639	305,176	419,815
Capital improvements	294,601	-	294,601
Special recreation	485,350	-	485,350
Unrestricted	3,182,950	145,230	3,328,180
TOTAL NET POSITION	\$ 17,883,427	\$ 2,206,366	\$ 20,089,793

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,433,958	\$ 391,605	\$ 4,114	\$ -
Building and zoning	865,096	904,290	-	-
Public safety	1,405,975	147,819	71,836	75,660
Public works	1,052,568	69,012	264,632	387,580
Parks and recreation	807,156	60,328	-	-
Interest	183,730	-	-	-
Total governmental activities	5,748,483	1,573,054	340,582	463,240
Business-Type Activities				
Aquatics	587,821	278,611	-	-
Total business-type activities	587,821	278,611	-	-
TOTAL PRIMARY GOVERNMENT	\$ 6,336,304	\$ 1,851,665	\$ 340,582	\$ 463,240

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,038,239)	\$ -	\$ (1,038,239)
	39,194	-	39,194
	(1,110,660)	-	(1,110,660)
	(331,344)	-	(331,344)
	(746,828)	-	(746,828)
	(183,730)	-	(183,730)
	<u>(3,371,607)</u>	<u>-</u>	<u>(3,371,607)</u>
	-	(309,210)	(309,210)
	-	(309,210)	(309,210)
	<u>(3,371,607)</u>	<u>(309,210)</u>	<u>(3,680,817)</u>
General Revenues			
Taxes			
Property	1,886,580	-	1,886,580
Road and bridge	18,420	-	18,420
Sales	179,487	-	179,487
Telecommunication and utility	600,113	-	600,113
Amusement	2,566	-	2,566
Intergovernmental			
Income	733,685	-	733,685
Use	149,254	-	149,254
Replacement	1,761	-	1,761
Investment income	201,303	887	202,190
Miscellaneous	535,535	601	536,136
Transfers in (out)	(298,256)	298,256	-
Total	<u>4,010,448</u>	<u>299,744</u>	<u>4,310,192</u>
CHANGE IN NET POSITION	<u>638,841</u>	<u>(9,466)</u>	<u>629,375</u>
NET POSITION, JANUARY 1	17,045,880	2,215,832	19,261,712
Prior period adjustment	198,706	-	198,706
NET POSITION, JANUARY 1, RESTATED	<u>17,244,586</u>	<u>2,215,832</u>	<u>19,460,418</u>
NET POSITION, DECEMBER 31	<u>\$ 17,883,427</u>	<u>\$ 2,206,366</u>	<u>\$ 20,089,793</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2014

	General	Park Donation	Motor Fuel Tax	Community Development	Parks and Recreation	Debt Service	Canadian National Project	Nonmajor Governmental	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
ASSETS									
Cash and investments	\$ 2,109,137	\$ 296	\$ 551,850	\$ 1,913,838	\$ 418,516	\$ 5,749,343	\$ 164,648	\$ 540,846	\$ 11,448,474
Receivables									
Property taxes	1,554,420	-	-	-	322,595	-	-	-	1,877,015
Utility taxes	37,879	-	-	-	-	-	-	-	37,879
Accounts	-	-	-	92,512	330	-	-	2,529	95,371
Court fines	6,364	-	-	-	-	-	-	-	6,364
Prepaid items	65,615	-	-	-	17,332	-	-	-	82,947
Due from other governments									
Municipal sales tax	25,947	-	-	-	-	-	-	-	25,947
Sales tax sharing	5,176	-	-	-	-	-	-	-	5,176
Illinois use tax	40,227	-	-	-	-	-	-	-	40,227
Illinois income tax	85,839	-	-	-	-	-	-	-	85,839
Franchise tax	31,786	-	-	-	-	-	-	-	31,786
Telecommunication tax	48,592	-	-	-	-	-	-	-	48,592
Motor fuel tax	-	-	19,297	-	-	-	-	-	19,297
Grants	50,943	-	-	-	-	-	-	-	50,943
Due from other funds	5,000	-	-	-	-	-	-	-	5,000
Total assets	4,066,925	296	571,147	2,006,350	758,773	5,749,343	164,648	543,375	13,860,857
DEFERRED OUTFLOWS OF RESOURCES									
None	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,066,925	\$ 296	\$ 571,147	\$ 2,006,350	\$ 758,773	\$ 5,749,343	\$ 164,648	\$ 543,375	\$ 13,860,857

	General	Park Donation	Motor Fuel Tax	Community Development	Parks and Recreation	Debt Service	Canadian National Project	Nonmajor Governmental	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 83,537	\$ -	\$ 780	\$ 59,595	\$ 9,585	\$ -	\$ 5	\$ 17,242	\$ 170,744
Wages payable	79,757	-	1,823	7,210	9,750	-	-	-	98,540
Unearned revenue - grants	15,271	-	-	-	500	-	145,297	-	161,068
Deposits payable	390,242	-	-	511,339	3,200	-	-	-	904,781
Total liabilities	568,807	-	2,603	578,144	23,035	-	145,302	17,242	1,335,133
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	1,554,420	-	-	-	322,595	-	-	-	1,877,015
Total deferred inflows of resources	1,554,420	-	-	-	322,595	-	-	-	1,877,015
Total liabilities and deferred inflows of resources	2,123,227	-	2,603	578,144	345,630	-	145,302	17,242	3,212,148
FUND BALANCES									
Nonspendable									
Prepaid items	65,615	-	-	-	17,332	-	-	-	82,947
Restricted									
Highways and streets	-	-	568,544	-	-	-	-	-	568,544
Debt service	-	296	-	-	-	5,749,343	-	-	5,749,639
Capital improvements	-	-	-	-	-	-	-	294,601	294,601
Special recreation	-	-	-	-	485,350	-	-	-	485,350
Assigned									
Cash reserves	1,332,063	-	-	-	-	-	-	-	1,332,063
Capital improvements	-	-	-	1,428,206	-	-	19,346	228,855	1,676,407
Sister Cities	-	-	-	-	-	-	-	2,677	2,677
Unassigned	546,020	-	-	-	(89,539)	-	-	-	456,481
Total fund balances	1,943,698	296	568,544	1,428,206	413,143	5,749,343	19,346	526,133	10,648,709
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
	\$ 4,066,925	\$ 296	\$ 571,147	\$ 2,006,350	\$ 758,773	\$ 5,749,343	\$ 164,648	\$ 543,375	\$ 13,860,857

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 POSITION**

December 31, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 10,648,709
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	13,237,343
Long-term liabilities (debt certificates) are not due and payable in the current period and, therefore, not reported in the governmental funds	(5,635,000)
The premium on debt issued is shown as a liability on the statement of net position	(64,715)
The net pension obligation is shown as a liability on the statement of net position	(260,199)
The net OPEB obligation is shown as a liability on the statement of net position	(30,352)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	<u>(12,359)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 17,883,427</u></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 Year Ended December 31, 2014

	General	Park Donation	Motor Fuel Tax	Community Development
REVENUES				
Taxes	\$ 2,322,182	\$ -	\$ -	\$ -
Licenses, permits and fees	518,229	-	-	1,267,420
Intergovernmental	1,114,762	-	264,632	-
Contributions from property owners	-	-	-	-
Investment income	4,816	12	1,079	2,965
Miscellaneous	112,759	87,187	-	59,329
Total revenues	4,072,748	87,199	265,711	1,329,714
EXPENDITURES				
Current				
General government	1,226,568	-	-	103,773
Building and zoning	229,461	-	-	561,068
Public safety	1,419,335	-	-	-
Public works	750,954	-	196,163	-
Parks and recreation	-	-	-	108,678
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,626,318	-	196,163	773,519
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	446,430	87,199	69,548	556,195
OTHER FINANCING SOURCES (USES)				
Transfers in	9,940	-	-	-
Transfers (out)	(268,256)	(90,000)	-	(340,000)
Total other financing sources (uses)	(258,316)	(90,000)	-	(340,000)
NET CHANGE IN FUND BALANCES	188,114	(2,801)	69,548	216,195
FUND BALANCES, JANUARY 1	1,755,584	3,097	498,996	1,212,011
FUND BALANCES, DECEMBER 31	\$ 1,943,698	\$ 296	\$ 568,544	\$ 1,428,206

Parks and Recreation	Debt Service	Canadian National Project	Nonmajor Governmental	Total Governmental Funds
\$ 329,380	\$ -	\$ -	\$ -	\$ 2,651,562
64,717	-	-	-	1,850,366
-	-	-	69,045	1,448,439
-	114,838	-	-	114,838
856	190,183	477	915	201,303
620	-	85,189	73,988	419,072
395,573	305,021	85,666	143,948	6,685,580
-	-	-	72,746	1,403,087
-	-	-	-	790,529
-	-	-	-	1,419,335
-	-	-	-	947,117
466,057	-	-	-	574,735
-	-	85,189	233,635	318,824
-	605,000	-	-	605,000
-	190,678	-	-	190,678
466,057	795,678	85,189	306,381	6,249,305
(70,484)	(490,657)	477	(162,433)	436,275
-	-	-	400,000	409,940
-	-	-	(9,940)	(708,196)
-	-	-	390,060	(298,256)
(70,484)	(490,657)	477	227,627	138,019
483,627	6,240,000	18,869	298,506	10,510,690
\$ 413,143	\$ 5,749,343	\$ 19,346	\$ 526,133	\$ 10,648,709

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 Year Ended December 31, 2014

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 138,019
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	363,467
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 position	605,000
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	(465,520)
The amortization of premium on long-term debt is reported as an expense on the statement of activities	6,948
The change in the net OPEB obligation is shown as an increase to expense on the statement of activities	(6,537)
The change in the net pension obligation is shown as an increase to expense on the statement of activities	(3,108)
The change in compensated absences payable is shown as a decrease in expense on the statement of activities	<u>572</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 638,841</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2014

	<u>Aquatics Fund</u>
CURRENT ASSETS	
Cash and investments	\$ 458,991
Accounts receivable	723
	<u>459,714</u>
NONCURRENT ASSETS	
Capital assets	
Capital assets not being depreciated	417,459
Capital assets being depreciated, net	3,797,305
	<u>4,214,764</u>
Net capital assets	<u>4,214,764</u>
Total noncurrent assets	<u>4,214,764</u>
Total assets	<u>4,674,478</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	<u>37,342</u>
Total deferred outflows of resources	<u>37,342</u>
Total assets and deferred outflows of resources	<u>4,711,820</u>
CURRENT LIABILITIES	
Accounts payable	1,306
Wages payable	2,842
Unearned revenue - other	160
Due to other funds	5,000
Revenue bonds payable	145,000
	<u>154,308</u>
Total current liabilities	<u>154,308</u>
NONCURRENT LIABILITIES	
Net revenue bonds payable	<u>2,351,146</u>
Total noncurrent liabilities	<u>2,351,146</u>
Total liabilities	<u>2,505,454</u>
DEFERRED INFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>2,505,454</u>
NET POSITION	
Net investment in capital assets	1,755,960
Restricted for debt service	305,176
Unrestricted	145,230
	<u>145,230</u>
TOTAL NET POSITION	<u>\$ 2,206,366</u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Aquatics Fund
OPERATING REVENUES	
Charges for service	\$ 278,611
Total operating revenues	<u>278,611</u>
OPERATING EXPENSES	
Personnel services	180,006
Contractual services	69,923
Commodities	36,220
Maintenance	10,528
Depreciation	175,133
Total operating expenses	<u>471,810</u>
OPERATING INCOME (LOSS)	<u>(193,199)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	887
Miscellaneous	601
Interest expense	(116,011)
Total non-operating revenues (expenses)	<u>(114,523)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(307,722)</u>
TRANSFERS	
Transfers in	298,256
Total transfers	<u>298,256</u>
CHANGE IN NET POSITION	(9,466)
NET POSITION, JANUARY 1	<u>2,215,832</u>
NET POSITION, DECEMBER 31	<u><u>\$ 2,206,366</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Aquatics Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 277,888
Payments to suppliers	(116,008)
Payments to employees	(178,426)
Miscellaneous non-operating receipts	601
	<hr/>
Net cash from operating activities	(15,945)
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund loan receipts (repayments)	(257)
Transfers in	298,256
	<hr/>
Net cash from noncapital financing activities	297,999
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on long-term debt	(140,000)
Interest paid	(114,535)
	<hr/>
Net cash from capital and related financing activities	(254,535)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	887
	<hr/>
Net cash from investing activities	887
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,406
CASH AND CASH EQUIVALENTS, JANUARY 1	430,585
	<hr/>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 458,991
	<hr/> <hr/>

(This statement is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	<u>Aquatics Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (193,199)
Miscellaneous non-operating receipts	601
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Increase (decrease) in	
Depreciation and amortization	175,133
Accounts receivable	(723)
Accounts payable	663
Wages payable	1,580
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (15,945)</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2014

	Pension Trust	Agency Funds
ASSETS		
Cash and short-term investments	\$ 576,029	\$ 108,802
Investments		
Non-negotiable certificates of deposit	1,629,594	
Money market mutual funds	26,663	-
Equity mutual funds	225,739	-
	<hr/>	
Total assets	2,458,025	\$ 108,802
	<hr/>	
LIABILITIES		
Due to others	-	\$ 108,802
	<hr/>	
Total liabilities	-	\$ 108,802
	<hr/>	
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 2,458,025</u>	

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND**

For the Year Ended December 31, 2014

	Police Pension
ADDITIONS	
Contributions	
Employer	\$ 234,261
Employee	79,573
	<hr/>
Total contributions	313,834
	<hr/>
Investment income	
Net appreciation in fair value of investments	8,854
Interest	29,127
	<hr/>
Total investment income	37,981
	<hr/>
Total additions	351,815
	<hr/>
DEDUCTIONS	
Benefits and refunds	93,198
Administration	13,259
	<hr/>
Total deductions	106,457
	<hr/>
NET INCREASE	245,358
 NET POSITION RESTRICTED FOR PENSION BENEFITS	
January 1	2,212,667
	<hr/>
December 31	\$ 2,458,025
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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 restricted or assigned monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of general capital assets (capital projects funds) and funds restricted, committed or assigned for 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.

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

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.

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 position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. 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.

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

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 Park Donation Fund, a special revenue fund, is used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks. The Village has elected to report this fund as major.

The Motor Fuel Tax Fund, a special revenue fund, is used to account for state motor fuel tax allotment revenue and expenditures related to road repair and construction. The Village has elected to report this fund as major.

The Community Development Fund, a special revenue 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 Parks and Recreation Fund, a special revenue fund, is used to account for the revenues received from property taxes (including the special recreation levy), recreation program fees and field lease agreement fees and the related expenditures for recreation programming, special recreation programming and park maintenance.

The Debt Service Fund is used to account for the payment of principal and interest on the 2013 Debt Certificates.

The Canadian National Project Fund, a capital projects fund, is used to account for revenue and expenditures of grant monies received from Canadian National for various projects. The Village has elected to report this fund as major.

The Village reports the following nonmajor governmental funds:

The Connection Fees Fund, a special revenue fund, is used to account for revenue from connection fees and the related expenditures for future water and system related maintenance.

The Ike Planning Grant Fund, a special revenue fund, is used to account for revenues and expenditures related to the Illinois Department of Commerce and Economic Opportunity (DCEO) Ike Planning Grant.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Sister Cities Fund, a special revenue fund, is used to account for the revenues received from donations and the related expenditures for the Sister Cities program with the Village of Marineo, Sicily.

The Capital Improvements Fund, a capital projects fund, is used to account for other financing sources (transfers from other funds) and expenditures for capital improvements.

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 subfunds 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.

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.

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)

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.

The Village reports deferred, unavailable and unearned revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred or unearned revenues arise when a revenue is measurable but not earned under the accrual basis of accounting. Deferred or 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 or deferred inflows of resource for deferred, unearned and unavailable revenue are 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Investments

Investments with a maturity of 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 except non-negotiable certificates of deposit 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 using the consumption method.

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.

<u>Asset Class</u>	<u>Capitalization Threshold</u>
Buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

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
Sewer infrastructure	35
Improvements	20
Equipment	10
Vehicles - public safety	3
Vehicles - public works	10
Furniture	7
Office equipment	5

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures/expenses.

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

k. Net Position/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance results from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Chief Financial Officer through the approved fund balance policy of the Village. Any residual fund balance of the General Fund is reported as unassigned.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Net Position/Fund Balance (Continued)

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

The Village has established fund balance policies for their General Fund. The General Fund targets a reserve fund to fund operations for a period of at least four months of General Fund expenditures (not including transfers to fund capital projects). Unassigned fund balance is transferred to these reserves. These reserves are reported as an assigned fund balance.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the 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. Deferred Outflows/Inflows of Resources

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

m. Interfund Transactions

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. 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 nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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, investment grade obligations of state, provincial and local governments and public authorities, 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’s investment policy. The Village allows all investments permitted under Illinois Compiled Statutes (ILCS).

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village (Continued)

Investments

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.

At December 31, 2014, the Village had the following investments in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
State and local obligation	\$ 5,635,000	\$ 645,000	\$ 3,456,000	\$ 1,534,000	\$ -
TOTAL	\$ 5,635,000	\$ 645,000	\$ 3,456,000	\$ 1,534,000	\$ -

The state and local obligation securities are not rated.

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.

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 Chief Financial Officer 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's 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.

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

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 shares 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 2014 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at December 31, 2014, 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 2014 taxes are intended to finance the 2015 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue.

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended December 31, 2014 was as follows:

	January 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				
Sanitary sewer system	2,347,301	-	-	2,347,301
Buildings and improvements	5,804,816	75,355	13,617	5,866,554
Equipment and vehicles	2,313,592	288,112	39,927	2,561,777
Total capital assets being depreciated	10,465,709	363,467	53,544	10,775,632
Less accumulated depreciation for				
Sanitary sewer system	67,066	67,066	-	134,132
Buildings and improvements	2,011,233	269,373	13,617	2,266,989
Equipment and vehicles	1,605,095	129,081	39,927	1,694,249
Total accumulated depreciation	3,683,394	465,520	53,544	4,095,370
Total capital assets being depreciated, net	6,782,315	(102,053)	-	6,680,262
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 13,339,396	\$ (102,053)	\$ -	\$ 13,237,343

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

4. CAPITAL ASSETS (Continued)

	January 1	Increases	Decreases	December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 417,459	\$ -	\$ -	\$ 417,459
Total capital assets not being depreciated	417,459	-	-	417,459
Capital assets being depreciated				
Buildings and improvements	4,735,324	-	-	4,735,324
Equipment	172,848	-	-	172,848
Total capital assets being depreciated	4,908,172	-	-	4,908,172
Less accumulated depreciation for				
Building and improvements	896,939	158,332	-	1,055,271
Equipment	38,795	16,801	-	55,596
Total accumulated depreciation	935,734	175,133	-	1,110,867
Total capital assets being depreciated, net	3,972,438	(175,133)	-	3,797,305
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 4,389,897	\$ (175,133)	\$ -	\$ 4,214,764

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

DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES

General government	\$ 6,582
Building and zoning	74,774
Public safety	44,685
Public works	74,774
Parks and recreation	264,705

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 465,520

5. LONG-TERM DEBT

a. Special Service Area Bonds

As of December 31, 2014, the following Special Service Area (SSA) bonds were outstanding: SSA #1 Refunding Bonds, Series 2013A (which refunded the SSA #1 - 2003A Bonds and SSA #1 - 2004A Bonds), SSA #2 Refunding Bonds, Series 2013B (which refunded the SSA #2 - 2003B Bonds and SSA #2 - 2004B Bonds), SSA #3 Refunding Bonds, Series 2013C (which refunded the SSA #3 - 2003C Bonds and SSA #3 - 2004C Bonds) and SSA #4 - 2006 Bonds.

The SSA bonds outstanding as of December 31, 2014 totaled \$8,694,000. 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.

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

5. LONG-TERM DEBT (Continued)

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, January 1, Restated	Additions	Reductions	Balances, December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
Debt certificates	General	\$ 6,240,000	\$ -	\$ 605,000	\$ 5,635,000	\$ 645,000
Unamortized premium on debt certificates	General	71,663	-	6,948	64,715	-
Compensated absences	General	12,931	136,822	137,394	12,359	2,472
Net pension obligation	General	257,091	3,108	-	260,199	-
Other postemployment benefit	General	23,815	6,537	-	30,352	-
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 6,605,500</u>	<u>\$ 146,467</u>	<u>\$ 749,342</u>	<u>\$ 6,002,625</u>	<u>\$ 647,472</u>

c. Debt Certificates

Issue	Fund Debt Retired by	Balances, January 1	Issuances	Retirements	Balances, December 31	Current Portion
\$6,240,000 debt certificates dated November 12, 2013 with principal and interest due June 30 and December 30 including interest at 2.00% to 3.25% due through December 30, 2022.	Debt Service	\$ 6,240,000	\$ -	\$ 605,000	\$ 5,635,000	\$ 645,000
		<u>\$ 6,240,000</u>	<u>\$ -</u>	<u>\$ 605,000</u>	<u>\$ 5,635,000</u>	<u>\$ 645,000</u>

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

During the year ended December 31, 2014, the following changes occurred in business-type activities long-term liabilities:

	Fund Debt Retired By	Balances, January 1	Additions	Reductions	Balances, December 31	Current Portion
BUSINESS-TYPE ACTIVITIES						
Revenue bonds	Aquatics	\$ 2,625,000	\$ -	\$ 140,000	\$ 2,485,000	\$ 145,000
Unamortized premium on bonds	Aquatics	11,774	-	628	11,146	-
TOTAL BUSINESS-TYPE ACTIVITIES		<u>\$ 2,636,774</u>	<u>\$ -</u>	<u>\$ 140,628</u>	<u>\$ 2,496,146</u>	<u>\$ 145,000</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 governmental activities debt certificates are as follows:

Fiscal Year Ending December 31,	Debt Certificates		
	Principal	Interest	Total
2015	\$ 645,000	\$ 154,994	\$ 799,994
2016	655,000	142,044	797,044
2017	670,000	127,119	797,119
2018	690,000	106,869	796,869
2019	710,000	86,019	796,019
2020	730,000	64,569	794,569
2021	755,000	42,444	797,444
2022	780,000	18,687	798,687
TOTAL	\$ 5,635,000	\$ 742,745	\$ 6,377,745

f. Revenue Bonds

The Village issued \$2,805,000 Revenue Bonds (Aquatic Center Project), Series 2007, dated June 15, 2007, 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 30, 2017 with interest payable semiannually on June 30 and December 30 at 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.

On March 16, 2011, the Village issued \$3,000,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2011 to refund \$2,570,000 of the Revenue Bonds (Aquatic Center Project), Series 2007. Through the refunding, the Village extended the maturity of the bonds from 2017 to 2028. The debt service was increased by \$1,240,086. Of the proceeds, \$2,595,771 was used to currently refund the Revenue Bonds (Aquatic Center Project), Series 2007. On March 16, 2011, the principal of the Revenue Bonds (Aquatic Center Project), Series 2007 was paid off.

The ordinance authorizing the issuance of \$3,000,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2011 provided for the continuation of separate subfunds of the Aquatics Fund. The Park Donation Fund is required for all park donations fees received by the Village. This subfund had a balance of \$296 at December 31, 2014. 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 \$117,606 at December 31, 2014. A Bond and

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

5. LONG-TERM DEBT (Continued)

f. Revenue Bonds (Continued)

Interest Subfund is required to fund principal and interest payments. 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, 2014, this subfund had a balance of \$48,839. 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, 2014, this subfund (including the 2011 Reserve Subfund) had a balance of \$256,337 as required by the ordinance.

Debt service to maturity on these bonds is as follows:

Fiscal Year Ending December 31,	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 145,000	\$ 111,035	\$ 256,035
2016	150,000	105,960	255,960
2017	155,000	100,710	255,710
2018	160,000	95,285	255,285
2019	165,000	89,365	254,365
2020	170,000	82,765	252,765
2021	180,000	75,540	255,540
2022	185,000	67,890	252,890
2023	195,000	59,103	254,103
2024	205,000	49,840	254,840
2025	215,000	39,590	254,590
2026	225,000	28,840	253,840
2027	235,000	17,253	252,253
2028	100,000	5,150	105,150
TOTALS	\$ 2,485,000	\$ 928,326	\$ 3,413,326

6. INTERFUND ACTIVITY

Due from/to other funds at December 31, 2014 consist of the following:

	Due From	Due To
General Aquatics Center	\$ -	\$ 5,000
Aquatics Center General	5,000	-
TOTAL	\$ 5,000	\$ 5,000

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

6. INTERFUND ACTIVITY (Continued)

Interfund transfers during the year ended December 31, 2014 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 9,940	\$ 268,256
Park Donation	-	90,000
Community Development	-	340,000
Nonmajor Government		
Ike Planning Grant	-	9,940
Capital Improvements	400,000	-
Aquatics Center	298,256	-
	<u>\$ 708,196</u>	<u>\$ 708,196</u>
TOTAL	<u>\$ 708,196</u>	<u>\$ 708,196</u>

Significant transfers between funds for the year ended December 31, 2014 consist of the following:

- \$268,256 transfer from the General Fund to Capital Improvement Fund is for capital projects (\$60,000) and to the Aquatics Center for debt service payments (\$208,256).
- \$340,000 transfer from the Community Development Fund to the Capital Improvements Fund is for capital projects.
- \$90,000 transfer from the Park Donation Fund to the Aquatics Center for park donation revenues in accordance with revenue bond covenants.

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. The Village pays for health insurance for employees and general liability insurance through third party indemnity insurance. The Village participates in the Illinois Public Risk Fund for its workers' compensation insurance coverage. 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.

7. RISK MANAGEMENT (Continued)

The Illinois Public Risk Fund (the Fund) is a self-funded workers' compensation pool for public entities. The purpose of the Fund is to provide for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation and Occupational Diseases Laws on behalf of fire protection districts, public entities and agencies, and other units of state and local government within the State of Illinois. There are approximately 500 members. A Board of Trustees oversees the operation of the Fund and governs it in accordance with State of Illinois Regulations.

Members' cost is proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on the Fund's and individual member's experience. Members can also be assessed if the assets of the Fund are less than the reserves required to be maintained. The Village is not aware of any additional amounts due to the Fund at December 31, 2014.

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 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 their website at www.imrf.org.

9. DEFINED BENEFIT PENSION PLANS (Continued)

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. 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 IMRF as specified by statute. The employer contribution for 2014 was 11.68% of covered payroll.

Police Pension Plan

Plan Administration

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

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2014, the measurement date, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	7
Nonvested	3
Inactive members	-
	-
TOTAL	12

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced 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 and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended December 31, 2014, the Village's contribution was 29.58% of covered payroll.

Investment Policy

In accordance with the Police Pension Fund's investment policy, the Police Pension Fund may invest in all investments allowed by ILCS. 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).

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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. During the year, no changes were made to the investment policy.

The Police Pension Fund’s investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	75-90%	1.65%
Domestic equities (Mutual Funds)	0-10%	6.45%
Cash and cash equivalents	5-25%	0.00%

ILCS, for plans under \$2,500,000 in net assets, limit the Police Pension Fund’s investments in equities to 10%. Securities in illiquid, long-term investments should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Fund’s investments was determined using a building block method in which best estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return excluding inflation of 2.75% for each major asset class included in the Police Pension Fund’s target asset allocation as of December 31, 2014 are listed in the table above.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

All investments except for non-negotiable certificates of deposit in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments except for one non-negotiable certificate of deposit of \$566,752.

Investment Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2014, all of the Police Pension Fund's bank balances were collateralized in accordance with their investment policy.

Interest Rate Risk

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 investment policy is silent related to investment rate risk.

At December 31, 2014, the Police Pension Fund had no investments in debt securities subject to interest rate risk.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

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. The investment policy is silent related to credit risk.

Custodial Credit Risk

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. The investment policy also requires a third party custodian for debt securities.

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$	4,676,911
Plan fiduciary net position		2,458,025
Village's net pension liability		2,218,886
Plan fiduciary net position as a percentage of the total pension liability		52.6%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension 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)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-Age Normal
Assumptions	
Salary increases	5.00%
Interest rate	6.75%
Postretirement benefit increases	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Mortality Table adjusted for Blue Collar Workers.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The Police Pension Fund's funding policy is to have the Police Pension Fund reach a funded ratio of 100% by December 31, 2040. Therefore, the Police Pension Plan's projected fiduciary net position can be expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Police Pension Plan's investments was applied to all periods of projected benefits payments to determine the total pension liability.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 3,080,102	\$ 2,218,886	\$ 1,528,488

b. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2012	December 31, 2012
Actuarial cost method	Entry-age Normal	Projected Unit Credit
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	27 Years, Closed

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

b. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets*	7.50% Compounded Annually	6.75% 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 10.00%	N/A
d) Postretirement benefit increases	3.00%	N/A

N/A - Information not available

* The rate of return assumption for police pension was decreased at December 31, 2013 from 7.00% to 6.75%.

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)	2012	\$ 123,081	2012	\$ 224,182
	2013	142,302	2013	221,535
	2014	160,871	2014	237,369
Actual contribution	2012	\$ 123,081	2012	\$ 219,588
	2013	142,302	2013	217,155
	2014	160,871	2014	234,261
Percentage of APC contributed	2012	100.00%	2012	97.95%
	2013	100.00%	2013	98.02%
	2014	100.00%	2014	98.69%
NPO (asset)	2012	\$ -	2012	\$ 252,711
	2013	-	2013	257,091
	2014	-	2014	260,199

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

b. Annual Pension Costs (Continued)

The NPO (asset) at December 31, 2014 has been calculated as follows:

	<u>Police Pension</u>
Annual required contribution	\$ 234,261
Interest on net pension obligation	17,354
Adjustment to annual required contribution	<u>(14,246)</u>
Annual pension cost	237,369
Contributions made	<u>234,261</u>
Increase (decrease) in net pension obligation	3,108
Net pension obligation, beginning of year, restated	<u>257,091</u>
NET PENSION OBLIGATION, END OF YEAR	<u>\$ 260,199</u>

c. Funded Status

The funded status of Police Pension Plan and Illinois Municipal Retirement Fund as of December 31, 2014 are based on actuarial valuations performed as of the same date 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 9b:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>
Actuarial accrued liability (AAL)	\$ 2,472,534	\$ 4,676,911
Actuarial value of plan assets	1,583,179	2,641,216
Unfunded actuarial accrued liability (UAAL)	889,355	2,035,695
Funded ratio (actuarial value of plan assets/AAL)	64.03%	56.5%
Covered payroll (active plan members)	\$ 1,377,320	\$ 791,889
UAAL as a percentage of covered payroll	64.57%	257.1%

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.

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

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental activities.

b. Benefits Provided

The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plan. Upon a retiree reaching the age of 65, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Village's insurance provider.

c. Membership

At December 31, 2012 (most recent valuation date), membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	11
Active employees - nonvested	15
	<hr/>
TOTAL	26
	<hr/>
Participating employers	1
	<hr/>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012, 2013 and 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	\$ 4,390	\$ -	0.0%	\$ 17,321
December 31, 2013	6,494	-	0.0%	23,815
December 31, 2014	6,537	-	0.0%	30,352

The net OPEB obligation as of December 31, 2014 was calculated as follows:

Annual required contribution	\$ 6,378
Interest on net OPEB obligation	953
Adjustment to annual required contribution	<u>(794)</u>
Annual OPEB cost	6,537
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	6,537
Net OPEB obligation, beginning of year	<u>23,815</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 30,352</u>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2012 (most recent valuation date) was as follows:

Actuarial accrued liability (AAL)	\$ 50,923
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	50,923
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 2,086,847
UAAL as a percentage of covered payroll	2.4%

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a discount rate of 4% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

11. PRIOR PERIOD ADJUSTMENT

The net position of governmental activities at January 1, 2014 was decreased by \$198,706 to correctly report the net pension obligation.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 2,328,620	\$ 2,328,620	\$ 2,322,182	\$ (6,438)
Licenses, permits and fees	521,605	521,605	518,229	(3,376)
Intergovernmental	861,022	943,136	1,114,762	171,626
Investment income	3,000	3,000	4,816	1,816
Miscellaneous	55,000	55,000	112,759	57,759
Total revenues	3,769,247	3,851,361	4,072,748	221,387
EXPENDITURES				
Current				
General government	1,334,576	1,334,576	1,226,568	(108,008)
Building and zoning	257,770	257,770	229,461	(28,309)
Public safety	1,373,535	1,373,535	1,419,335	45,800
Public works	647,216	729,330	750,954	21,624
Total expenditures	3,613,097	3,695,211	3,626,318	(68,893)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	156,150	156,150	446,430	290,280
OTHER FINANCING SOURCES (USES)				
Transfers in	148,000	148,000	9,940	(138,060)
Transfers (out)	(254,535)	(254,535)	(268,256)	(13,721)
Total other financing sources (uses)	(106,535)	(106,535)	(258,316)	(151,781)
NET CHANGE IN FUND BALANCE	\$ 49,615	\$ 49,615	188,114	\$ 138,499
FUND BALANCE, JANUARY 1			<u>1,755,584</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,943,698</u>	

(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 Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
Allotments earned	\$ 180,081	\$ 264,632	\$ 84,551
Investment income	1,000	1,079	79
	<hr/>	<hr/>	<hr/>
Total revenues	181,081	265,711	84,630
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Public works			
Personnel services	47,970	47,603	(367)
Contractual services	140,000	52,299	(87,701)
Commodities	103,000	96,261	(6,739)
	<hr/>	<hr/>	<hr/>
Total expenditures	290,970	196,163	(94,807)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (109,889)</u>	69,548	<u>\$ 179,437</u>
FUND BALANCE, JANUARY 1		<u>498,996</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 568,544</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 Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Licenses, permits and fees	\$ 342,748	\$ 1,267,420	\$ 924,672
Investment income	2,000	2,965	965
Miscellaneous	59,000	59,329	329
Total revenues	403,748	1,329,714	925,966
EXPENDITURES			
General government			
Economic development			
Personnel services	63,312	103,218	39,906
Contractual services	19,100	555	(18,545)
Building and zoning			
Contractual services	88,250	561,068	472,818
Parks and recreation			
Community events			
Personnel services	58,472	57,279	(1,193)
Contractual services	46,225	51,399	5,174
Total expenditures	275,359	773,519	498,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	128,389	556,195	427,806
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(240,000)	(340,000)	(100,000)
NET CHANGE IN FUND BALANCE	\$ (111,611)	216,195	\$ 327,806
FUND BALANCE, JANUARY 1		1,212,011	
FUND BALANCE, DECEMBER 31		\$ 1,428,206	

(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 Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 336,273	\$ 329,380	\$ (6,893)
Licenses, permits and fees	317,656	64,717	(252,939)
Investment income	850	856	6
Miscellaneous	-	620	620
	<hr/>	<hr/>	<hr/>
Total revenues	654,779	395,573	(259,206)
EXPENDITURES			
Parks and recreation			
Administration			
Personnel services	102,862	102,086	(776)
Contractual services	17,320	15,254	(2,066)
Commodities	1,600	745	(855)
Recreation			
Personnel services	-	9,616	9,616
Commodities	65,065	24,171	(40,894)
Park maintenance			
Personnel services	180,311	142,769	(37,542)
Contractual services	2,800	2,011	(789)
Commodities	29,000	60,224	31,224
Capital outlay	6,000	1,537	(4,463)
Special recreation			
Contractual services	53,556	51,996	(1,560)
Capital outlay	90,000	55,648	(34,352)
	<hr/>	<hr/>	<hr/>
Total expenditures	548,514	466,057	(82,457)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	106,265	(70,484)	(176,749)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(98,000)	-	98,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(98,000)	-	98,000
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	\$ 8,265	(70,484)	\$ (78,749)
FUND BALANCE, JANUARY 1		<hr/>	
		483,627	
FUND BALANCE, DECEMBER 31		<hr/>	
		\$ 413,143	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 602,691	\$ 1,061,048	56.80%	\$ 458,357	\$ 610,227	75.11%
2010	700,694	1,181,264	59.32%	480,570	757,883	63.41%
2011	902,347	1,329,960	67.85%	427,613	869,242	49.19%
2012	1,010,606	1,677,938	60.23%	667,332	1,063,790	62.73%
2013	1,285,385	2,042,898	62.92%	757,513	1,252,654	60.47%
2014	1,583,179	2,472,534	64.03%	889,355	1,377,320	64.57%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

December 31, 2014

Actuarial Valuation Date December 31,	(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)
2009	\$ 1,291,872	\$ 2,518,536	51.29%	\$ 1,226,664	\$ 629,035	195.01%
2010	1,471,156	2,821,595	52.14%	1,350,439	680,756	198.37%
2011	1,714,204	3,015,984	56.84%	1,301,780	683,219	190.54%
2012	2,042,297	3,389,485	60.25%	1,347,188	692,151	194.64%
2013	2,347,519	3,934,239	59.67%	1,586,720	771,341	205.71%
2014	2,641,216	4,676,911	56.47%	2,035,695	791,889	257.07%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2014

Actuarial Valuation Date December 31,	(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)
2009	\$ -	\$ 34,068	0.00%	\$ 34,068	\$ 1,354,564	2.52%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	50,923	0.00%	50,923	2,086,847	2.44%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not available as no actuarial valuation was performed.

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2014

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 68,712	\$ 68,712	100.00%
2010	89,506	89,506	100.00%
2011	106,308	106,308	100.00%
2012	123,081	123,081	100.00%
2013	142,302	142,302	100.00%
2014	160,871	160,871	100.00%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

December 31, 2014

	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 234,261	\$ 217,155	\$ 219,588	\$ 211,652	\$ 200,879	\$ 151,347
Contributions in relation to the actuarially determined contribution	234,261	217,155	219,588	225,318	163,992	163,992
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ (13,666)	\$ 36,887	\$ (12,645)
Covered-employee payroll	\$ 771,341	\$ 692,151	\$ 683,219	\$ 680,756	\$ 629,035	\$ 656,915
Contributions as a percentage of covered employee payroll	30.37%	31.37%	32.14%	33.10%	26.07%	24.96%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. The actuarially determined contribution is based on the projected unit credit actuarial cost method.

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 163,992	\$ 151,347	108.35%
2010	163,992	200,879	81.64%
2011	225,318	211,652	106.46%
2012	219,588	219,588	100.00%
2013	217,155	217,155	100.00%
2014	234,261	234,261	100.00%

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, projected salary increases assumption of 5% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Governmental Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ -	\$ 4,113	0.00%
2010	-	4,304	0.00%
2011	-	4,304	0.00%
2012	-	4,304	0.00%
2013	-	6,378	0.00%
2014	-	6,378	0.00%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

POLICE PENSION FUND

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

December 31, 2014

TOTAL PENSION LIABILITY	
Service cost	\$ 269,069
Interest	256,565
Changes of benefit terms	-
Differences between expected and actual experience	557,497
Changes of assumptions	292,739
Benefit payments, including refunds of member contributions	<u>(93,198)</u>
Net change in total pension liability	1,282,672
Total pension liability - beginning	<u>3,394,239</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 4,676,911</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 234,261
Contributions - member	79,573
Net investment income	37,981
Benefit payments, including refunds of member contributions	(93,198)
Administrative expense	<u>(13,259)</u>
Net change in plan fiduciary net position	245,358
Plan net position - beginning	<u>2,212,667</u>
PLAN NET POSITION - ENDING	<u><u>\$ 2,458,025</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 2,218,886</u></u>
Plan fiduciary net position as a percentage of the total pension liability	52.6%
Covered-employee payroll	\$ 771,341
Employer's net pension liability as a percentage of covered-employee payroll	287.7%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

December 31, 2014

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	3.50%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget was adopted for all funds except the Ike Planning Grant Fund, the Connection Fees Fund, the Sister Cities Fund, the Park Donation Fund, the Canadian National Project Fund and the Debt Service Fund. All annual appropriations lapse at fiscal year end. Budget amendments were made in the current fiscal year.

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

- a. During the fourth quarter of the prior fiscal year, the Chief Financial Officer drafts an annual budget ordinance for the subsequent year 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 year ended December 31 is typically taken by the Board before year end.
- 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)

2. COMPLIANCE

The following funds had expenditures in excess of budget in the current year:

Fund	Actual Expenditures	Final Budget	Excess
Capital Improvements	\$ 223,005	\$ 206,250	\$ 16,755
Community Development	773,519	275,359	498,160
Police Pension	106,457	98,930	7,527

**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 Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
TAXES				
Property taxes	\$ 1,543,400	\$ 1,543,400	\$ 1,557,200	\$ 13,800
Road and bridge tax	19,580	19,580	18,420	(1,160)
Sales tax	115,000	115,000	143,883	28,883
Utility tax	394,140	394,140	394,117	(23)
Telecommunication tax	254,000	254,000	205,996	(48,004)
Amusement tax	2,500	2,500	2,566	66
Total taxes	2,328,620	2,328,620	2,322,182	(6,438)
LICENSES, PERMITS AND FEES				
Licenses				
Liquor	7,750	7,750	10,950	3,200
Vehicle	158,800	158,800	162,983	4,183
Animal	11,300	11,300	11,993	693
Franchise	148,980	148,980	145,621	(3,359)
Business	9,825	9,825	10,363	538
Total licenses	336,655	336,655	341,910	5,255
Fees				
Application fees	2,500	2,500	-	(2,500)
Court fines	100,000	100,000	77,741	(22,259)
Village code violations	40,000	40,000	63,578	23,578
Administrative adjudication hearing fees	-	-	510	510
Adjudication fines	7,500	7,500	2,455	(5,045)
Administrative impound fees	30,000	30,000	28,500	(1,500)
Police protection fees	4,500	4,500	3,120	(1,380)
Record requests	450	450	415	(35)
Total fees	184,950	184,950	176,319	(8,631)
Permits				
None	-	-	-	-
Total permits	-	-	-	-
Total licenses, permits and fees	521,605	521,605	518,229	(3,376)

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
INTERGOVERNMENTAL				
Use tax	\$ 127,972	\$ 127,972	\$ 149,254	\$ 21,282
Income tax	731,050	731,050	733,685	2,635
Personal property replacement tax	2,000	2,000	1,761	(239)
Sales tax sharing	-	-	35,604	35,604
Grant revenue	-	82,114	194,458	112,344
Total intergovernmental	861,022	943,136	1,114,762	171,626
INVESTMENT INCOME	3,000	3,000	4,816	1,816
MISCELLANEOUS				
Public utilities	15,000	15,000	10,601	(4,399)
Yard stickers	10,000	10,000	8,439	(1,561)
SWALCO fee	-	-	2,156	2,156
Miscellaneous	30,000	30,000	91,563	61,563
Total miscellaneous	55,000	55,000	112,759	57,759
TOTAL REVENUES	\$ 3,769,247	\$ 3,851,361	\$ 4,072,748	\$ 221,387

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Administration				
Personnel services	\$ 312,407	\$ 312,407	\$ 273,537	\$ (38,870)
Contractual services	103,557	103,557	76,741	(26,816)
Commodities	6,300	6,300	7,000	700
Total administration	422,264	422,264	357,278	(64,986)
Legal				
Contractual services	176,000	124,000	95,873	(28,127)
Elected officials				
Personnel services	-	-	-	-
Contractual services	2,125	2,125	1,327	(798)
Total elected officials	2,125	2,125	1,327	(798)
Village clerk				
Personnel services	10,041	10,041	8,893	(1,148)
Contractual services	895	895	300	(595)
Total village clerk	10,936	10,936	9,193	(1,743)
Risk management				
Personnel services	9,503	9,503	9,386	(117)
Contractual services	413,800	465,800	458,511	(7,289)
Capital outlay	5,000	5,000	4,155	(845)
Total risk management	428,303	480,303	472,052	(8,251)
Police commission				
Contractual services	3,700	3,700	2,418	(1,282)
Total police commission	3,700	3,700	2,418	(1,282)
Human resources				
Personnel services	51,932	51,932	51,213	(719)
Contractual services	12,100	12,100	11,016	(1,084)
Total human resources	64,032	64,032	62,229	(1,803)
Technology				
Contractual services	65,940	65,940	64,462	(1,478)
Total technology	65,940	65,940	64,462	(1,478)

(This schedule is continued on the following pages.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Finance				
Personnel services	\$ 130,956	\$ 130,956	\$ 132,131	\$ 1,175
Contractual services	30,320	30,320	29,605	(715)
Total finance	161,276	161,276	161,736	460
Total general government	1,334,576	1,334,576	1,226,568	(108,008)
BUILDING AND ZONING				
Administration				
Personnel services	207,061	207,061	195,198	(11,863)
Contractual services	9,730	9,730	5,359	(4,371)
Commodities	1,155	1,155	55	(1,100)
Total administration	217,946	217,946	200,612	(17,334)
Engineering				
Personnel services	24,824	24,824	24,882	58
Contractual services	15,000	15,000	3,967	(11,033)
Total engineering	39,824	39,824	28,849	(10,975)
Total building and zoning	257,770	257,770	229,461	(28,309)
PUBLIC SAFETY				
Police administration/operations				
Personnel services	1,159,245	1,159,245	1,168,638	9,393
Contractual services	129,690	129,690	126,526	(3,164)
Commodities	56,600	56,600	46,598	(10,002)
Capital outlay	28,000	28,000	77,573	49,573
Total police administration/operations	1,373,535	1,373,535	1,419,335	45,800
Total public safety	1,373,535	1,373,535	1,419,335	45,800
PUBLIC WORKS				
Administration				
Personnel services	441,727	452,727	432,621	(20,106)
Contractual services	78,989	66,503	78,073	11,570
Commodities	97,500	181,100	210,799	29,699
Total administration	618,216	700,330	721,493	21,163

(This schedule is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
PUBLIC WORKS (Continued)				
Building and grounds				
Contractual services	\$ 19,000	\$ 19,000	\$ 21,523	\$ 2,523
Commodities	10,000	10,000	7,938	(2,062)
Total buildings and grounds	<u>29,000</u>	<u>29,000</u>	<u>29,461</u>	<u>461</u>
Total public works	<u>647,216</u>	<u>729,330</u>	<u>750,954</u>	<u>21,624</u>
TOTAL EXPENDITURES	<u>\$ 3,613,097</u>	<u>\$ 3,695,211</u>	<u>\$ 3,626,318</u>	<u>\$ (68,893)</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF NET POSITION
AQUATIC CENTER ACCOUNTS

December 31, 2014

	Operating	Depreciation	Bond and Interest
CURRENT ASSETS			
Cash and investments	\$ 36,209	\$ 117,606	\$ 48,839
Accounts receivable	723	-	-
Total current assets	<u>36,932</u>	<u>117,606</u>	<u>48,839</u>
NONCURRENT ASSETS			
Capital assets			
Capital assets not being depreciated	417,459	-	-
Capital assets being depreciated, net	<u>3,797,305</u>	<u>-</u>	<u>-</u>
Net capital assets	<u>4,214,764</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,251,696</u>	<u>117,606</u>	<u>48,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	<u>37,342</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>37,342</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>4,289,038</u>	<u>117,606</u>	<u>48,839</u>
CURRENT LIABILITIES			
Accounts payable	1,306	-	-
Wages payable	2,842	-	-
Unearned revenue - other	160	-	-
Due to other funds	5,000	-	-
Revenue bonds payable	<u>145,000</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>154,308</u>	<u>-</u>	<u>-</u>
NONCURRENT LIABILITIES			
Net revenue bonds payable	<u>2,351,146</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>2,351,146</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,505,454</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>2,505,454</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	1,755,960	-	-
Restricted			
Debt service	-	-	48,839
Unrestricted	<u>27,624</u>	<u>117,606</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 1,783,584</u>	<u>\$ 117,606</u>	<u>\$ 48,839</u>

2011		
Bond		
Reserve	Eliminations	Total
\$ 256,337	\$ -	\$ 458,991
-	-	723
256,337	-	459,714
-	-	417,459
-	-	3,797,305
-	-	4,214,764
256,337	-	4,674,478
-	-	37,342
-	-	37,342
256,337	-	4,711,820
-	-	1,306
-	-	2,842
-	-	160
-	-	5,000
-	-	145,000
-	-	154,308
-	-	2,351,146
-	-	2,351,146
-	-	2,505,454
-	-	-
-	-	-
-	-	2,505,454
-	-	1,755,960
256,337	-	305,176
-	-	145,230
\$ 256,337	\$ -	\$ 2,206,366

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Operating	Depreciation	Bond and Interest
OPERATING REVENUES			
Charges for service	\$ 278,611	\$ -	\$ -
Total operating revenues	278,611	-	-
OPERATING EXPENSES			
Personnel services	180,006	-	-
Contractual services	69,496	-	427
Commodities	36,220	-	-
Maintenance	-	10,528	-
Depreciation	175,133	-	-
Total operating expenses	460,855	10,528	427
OPERATING INCOME (LOSS)	(182,244)	(10,528)	(427)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	68	190	116
Miscellaneous	601	-	-
Interest expense	(1,476)	-	(114,535)
Total non-operating revenues (expenses)	(807)	190	(114,419)
NET INCOME (LOSS) BEFORE TRANSFERS	(183,051)	(10,338)	(114,846)
TRANSFERS			
Transfers in	140,000	-	299,435
Transfers (out)	-	-	(140,000)
Total transfers	140,000	-	159,435
CHANGE IN NET POSITION	(43,051)	(10,338)	44,589
NET POSITION, JANUARY 1	1,826,635	127,944	4,250
NET POSITION, DECEMBER 31	\$ 1,783,584	\$ 117,606	\$ 48,839

2011		
Bond		
Reserve	Eliminations	Total
\$ -	\$ -	\$ 278,611
-	-	278,611
-	-	180,006
-	-	69,923
-	-	36,220
-	-	10,528
-	-	175,133
-	-	471,810
-	-	(193,199)
513	-	887
-	-	601
-	-	(116,011)
513	-	(114,523)
513	-	(307,722)
-	(141,179)	298,256
(1,179)	141,179	-
(1,179)	-	298,256
(666)	-	(9,466)
257,003	-	2,215,832
\$ 256,337	\$ -	\$ 2,206,366

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS
AQUATIC CENTER ACCOUNTS

For the Year Ended December 31, 2014

	<u>Operating</u>	<u>Depreciation</u>	<u>Bond and Interest</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 277,888	\$ -	\$ -
Payments to suppliers	(105,053)	(10,528)	(427)
Payments to employees	(178,426)	-	-
Miscellaneous nonoperating receipts	601	-	-
	<u>(4,990)</u>	<u>(10,528)</u>	<u>(427)</u>
Net cash from operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan receipts (repayments)	(257)	-	-
Transfers in	140,000	-	299,435
Transfers (out)	-	-	(140,000)
	<u>139,743</u>	<u>-</u>	<u>159,435</u>
Net cash from noncapital financing activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on long-term debt	(140,000)	-	-
Interest paid	-	-	(114,535)
	<u>(140,000)</u>	<u>-</u>	<u>(114,535)</u>
Net cash from capital and related financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	68	190	116
	<u>68</u>	<u>190</u>	<u>116</u>
Net cash from investing activities			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,179)	(10,338)	44,589
CASH AND CASH EQUIVALENTS, JANUARY 1	41,388	127,944	4,250
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 36,209</u>	<u>\$ 117,606</u>	<u>\$ 48,839</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (182,244)	\$ (10,528)	\$ (427)
Miscellaneous non-operating receipts	601	-	-
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Increase (decrease) in			
Depreciation and amortization	175,133	-	-
Accounts receivable	(723)	-	-
Accounts payable	663	-	-
Wages payable	1,580	-	-
	<u>(4,990)</u>	<u>(10,528)</u>	<u>(427)</u>
NET CASH FROM OPERATING ACTIVITIES			

2011		
Bond		
Reserve	Eliminations	Total
\$ -	\$ -	\$ 277,888
-	-	(116,008)
-	-	(178,426)
-	-	601
-	-	(15,945)
-	-	(257)
-	(141,179)	298,256
(1,179)	141,179	-
(1,179)	-	297,999
-	-	(140,000)
-	-	(114,535)
-	-	(254,535)
513	-	887
513	-	887
(666)	-	28,406
257,003	-	430,585
\$ 256,337	\$ -	\$ 458,991
\$ -	\$ -	\$ (193,199)
-	-	601
-	-	175,133
-	-	(723)
-	-	663
-	-	1,580
\$ -	\$ -	\$ (15,945)

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

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

Ike Planning Grant Fund - used to account for revenues and expenditures related to the Illinois Department of Commerce and Economic Opportunity (DCEO) Ike Planning Grant.

Sister Cities Fund - used to account for the revenues received from donations and the related expenditures for the Sister Cities program with the Village of Marineo, Sicily.

Capital Improvements Fund - used to account for other financing sources (transfers from other funds) and expenditures for capital improvements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Connection Fees	Ike Planning Grant	Sister Cities	Capital Improvements	Total
ASSETS					
ASSETS					
Cash and investments	\$ 294,787	\$ -	\$ 2,677	\$ 243,382	\$ 540,846
Accounts receivable	2,529	-	-	-	2,529
TOTAL ASSETS	\$ 297,316	\$ -	\$ 2,677	\$ 243,382	\$ 543,375
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,715	\$ -	\$ -	\$ 14,527	\$ 17,242
Total liabilities	2,715	-	-	14,527	17,242
FUND BALANCES					
Restricted					
Capital improvements	294,601	-	-	-	294,601
Assigned					
Capital improvements	-	-	-	228,855	228,855
Sister Cities	-	-	2,677	-	2,677
Total fund balances	294,601	-	2,677	228,855	526,133
TOTAL LIABILITIES AND FUND BALANCES	\$ 297,316	\$ -	\$ 2,677	\$ 243,382	\$ 543,375

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Connection Fees	Ike Planning Grant	Sister Cities	Capital Improvements	Total
REVENUES					
Intergovernmental	\$ -	\$ 69,045	\$ -	\$ -	\$ 69,045
Investment income	495	5	1	414	915
Miscellaneous	69,012	-	2,676	2,300	73,988
Total revenues	69,507	69,050	2,677	2,714	143,948
EXPENDITURES					
Current					
General government	13,636	59,110	-	-	72,746
Capital outlay	10,630	-	-	223,005	233,635
Total expenditures	24,266	59,110	-	223,005	306,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,241	9,940	2,677	(220,291)	(162,433)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	400,000	400,000
Transfers (out)	-	(9,940)	-	-	(9,940)
Total other financing sources (uses)	-	(9,940)	-	400,000	390,060
NET CHANGE IN FUND BALANCES	45,241	-	2,677	179,709	227,627
FUND BALANCES, JANUARY 1	249,360	-	-	49,146	298,506
FUND BALANCES, DECEMBER 31	\$ 294,601	\$ -	\$ 2,677	\$ 228,855	\$ 526,133

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ -	\$ 414	\$ 414
Miscellaneous	-	2,300	2,300
Total revenues	-	2,714	2,714
EXPENDITURES			
Capital outlay	206,250	223,005	16,755
Total expenditures	206,250	223,005	16,755
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(206,250)	(220,291)	(14,041)
OTHER FINANCING SOURCES (USES)			
Transfers in	190,000	400,000	210,000
Total other financing sources (uses)	190,000	400,000	210,000
NET CHANGE IN FUND BALANCE	\$ (16,250)	179,709	\$ 195,959
FUND BALANCE, JANUARY 1		49,146	
FUND BALANCE, DECEMBER 31		\$ 228,855	

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Over (Under)
ADDITIONS			
Contributions			
Employer	\$ 234,261	\$ 234,261	\$ -
Employee	75,000	79,573	4,573
Total contributions	<u>309,261</u>	<u>313,834</u>	<u>4,573</u>
Investment income			
Net appreciation in fair value of investments	-	8,854	8,854
Interest	25,000	29,127	4,127
Total investment income	<u>25,000</u>	<u>37,981</u>	<u>12,981</u>
Total additions	<u>334,261</u>	<u>351,815</u>	<u>17,554</u>
DEDUCTIONS			
Benefits and refunds	74,200	93,198	18,998
Administration	24,730	13,259	(11,471)
Total deductions	<u>98,930</u>	<u>106,457</u>	<u>7,527</u>
NET INCREASE	<u>\$ 235,331</u>	<u>245,358</u>	<u>\$ 10,027</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1		<u>2,212,667</u>	
December 31		<u>\$ 2,458,025</u>	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2014

ALL FUNDS

	Balances				Balances
	January 1	Additions	Deductions		December 31
ASSETS					
Cash and investments	\$ 342,186	\$ 1,019,114	\$ 1,252,498		\$ 108,802
TOTAL ASSETS	\$ 342,186	\$ 1,019,114	\$ 1,252,498		\$ 108,802
LIABILITIES					
Due to others	\$ 342,186	\$ 1,019,114	\$ 1,252,498		\$ 108,802
TOTAL LIABILITIES	\$ 342,186	\$ 1,019,114	\$ 1,252,498		\$ 108,802

**SPECIAL SERVICE AREA #1
PROJECT - DEBT SERVICE**

	Balances				Balances
	January 1	Additions	Deductions		December 31
ASSETS					
Cash and investments	\$ 33,491	\$ 267,824	\$ 300,337		\$ 978
TOTAL ASSETS	\$ 33,491	\$ 267,824	\$ 300,337		\$ 978
LIABILITIES					
Due to others	\$ 33,491	\$ 267,824	\$ 300,337		\$ 978
TOTAL LIABILITIES	\$ 33,491	\$ 267,824	\$ 300,337		\$ 978

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

	Balances				Balances
	January 1	Additions	Deductions		December 31
ASSETS					
Cash and investments	\$ 40,437	\$ 268,056	\$ 306,337		\$ 2,156
TOTAL ASSETS	\$ 40,437	\$ 268,056	\$ 306,337		\$ 2,156
LIABILITIES					
Due to others	\$ 40,437	\$ 268,056	\$ 306,337		\$ 2,156
TOTAL LIABILITIES	\$ 40,437	\$ 268,056	\$ 306,337		\$ 2,156

(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 Year Ended December 31, 2014

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

	Balances				Balances
	January 1	Additions	Deductions		December 31
ASSETS					
Cash and investments	\$ 36,106	\$ 267,795	\$ 303,337		\$ 564
TOTAL ASSETS	<u>\$ 36,106</u>	<u>\$ 267,795</u>	<u>\$ 303,337</u>		<u>\$ 564</u>
LIABILITIES					
Due to others	\$ 36,106	\$ 267,795	\$ 303,337		\$ 564
TOTAL LIABILITIES	<u>\$ 36,106</u>	<u>\$ 267,795</u>	<u>\$ 303,337</u>		<u>\$ 564</u>

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

	Balances				Balances
	January 1	Additions	Deductions		December 31
ASSETS					
Cash and investments	\$ 232,152	\$ 215,439	\$ 342,487		\$ 105,104
TOTAL ASSETS	<u>\$ 232,152</u>	<u>\$ 215,439</u>	<u>\$ 342,487</u>		<u>\$ 105,104</u>
LIABILITIES					
Due to others	\$ 232,152	\$ 215,439	\$ 342,487		\$ 105,104
TOTAL LIABILITIES	<u>\$ 232,152</u>	<u>\$ 215,439</u>	<u>\$ 342,487</u>		<u>\$ 105,104</u>

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Hawthorn Woods, Illinois' 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.	79-88
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	89-93
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.	94-98
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.	99-100
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.	101-103

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2008*
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 8,381,071	\$ 12,877,625	\$ 12,816,465	\$ 12,473,431
Restricted	7,981,508	7,427,286	5,226,866	4,633,442
Unrestricted	3,603,532	996,608	(165,414)	734,102
TOTAL GOVERNMENTAL ACTIVITIES	\$ 19,966,111	\$ 21,301,519	\$ 17,877,917	\$ 17,840,975
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ -	\$ 2,723,992	\$ 2,345,316	\$ 2,364,709
Restricted	-	-	447,431	451,196
Unrestricted	-	991,922	179,705	(23,915)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ -	\$ 3,715,914	\$ 2,972,452	\$ 2,791,990
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 8,381,071	\$ 15,601,617	\$ 15,161,781	\$ 14,838,140
Restricted	7,981,508	7,427,286	5,674,297	5,084,638
Unrestricted	3,603,532	1,988,530	14,291	710,187
TOTAL PRIMARY GOVERNMENT	\$ 19,966,111	\$ 25,017,433	\$ 20,850,369	\$ 20,632,965

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

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	12,100,792	\$ 14,011,182	\$ 13,708,354	\$ 13,503,716	\$ 13,339,396	\$ 13,237,343
	2,645,314	601,458	947,427	1,082,734	1,190,127	1,463,134
	399,477	552,494	1,458,953	2,074,808	2,516,357	3,182,950
\$	15,145,583	\$ 15,165,134	\$ 16,114,734	\$ 16,661,258	\$ 17,045,880	\$ 17,883,427
\$	2,080,219	\$ 2,219,059	\$ 1,776,874	\$ 1,746,181	\$ 1,792,569	\$ 1,755,960
	584,414	289,252	391,676	256,819	261,253	305,176
	85,215	44,699	309,489	230,834	162,010	145,230
\$	2,749,848	\$ 2,553,010	\$ 2,478,039	\$ 2,233,834	\$ 2,215,832	\$ 2,206,366
\$	14,181,011	\$ 16,230,241	\$ 15,485,228	\$ 15,249,897	\$ 15,131,965	\$ 14,993,303
	3,229,728	890,710	1,339,103	1,339,553	1,451,380	1,768,310
	484,692	597,193	1,768,442	2,305,642	2,678,367	3,328,180
\$	17,895,431	\$ 17,718,144	\$ 18,592,773	\$ 18,895,092	\$ 19,261,712	\$ 20,089,793

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2008*
EXPENSES				
Governmental Activities				
General government	\$ 2,038,714	\$ 868,301	\$ 934,205	\$ 671,138
Building and zoning	-	999,072	1,364,665	215,819
Public safety	1,282,082	1,605,160	1,820,217	1,042,970
Buildings and grounds	24,251	-	-	-
Public works	-	4,183,459	5,089,875	2,099,964
Streets and bridges	4,102,918	-	-	-
Parks and recreation	101,391	93,776	348,662	245,056
Interest	-	7,076	1,393	8,201
Total governmental activities expenses	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	\$ 7,549,356	\$ 7,769,369	\$ 10,607,968	\$ 4,722,072
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 2,528,832	\$ 442,180	\$ 372,551	\$ 120,698
Building and zoning	-	1,029,777	1,327,363	283,861
Public safety	214,318	242,085	278,600	121,431
Streets and bridges	-	-	-	-
Public works	-	-	-	-
Parks and recreation	3,525,500	1,154	62,126	32,785
Operating grants and contributions	269,321	192,716	211,771	143,742
Capital grants and contributions	-	7,750,072	8,829	-
Total governmental activities program revenues	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	\$ 6,537,971	\$ 9,667,984	\$ 2,504,531	\$ 943,345
NET (EXPENSES) REVENUES				
Governmental activities	\$ (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	\$ (1,011,385)	\$ 1,898,615	\$ (8,103,437)	\$ (3,778,727)

	2009	2010	2011	2012	2013	2014
\$	783,579	\$ 1,320,911	\$ 1,435,196	\$ 1,202,576	\$ 1,547,590	\$ 1,433,958
	268,409	306,260	312,618	370,625	511,300	865,096
	1,338,932	1,284,492	1,302,247	1,341,417	1,287,164	1,405,975
	-	-	-	-	-	-
	3,485,091	663,329	1,107,541	1,009,570	846,084	1,052,568
	-	-	-	-	-	-
	375,854	408,582	520,390	547,137	689,946	807,156
	5,919	5,157	4,318	3,435	102,925	183,730
	6,257,784	3,988,731	4,682,310	4,474,760	4,985,009	5,748,483
	571,328	583,088	560,021	573,378	610,695	587,821
	571,328	583,088	560,021	573,378	610,695	587,821
\$	6,829,112	\$ 4,571,819	\$ 5,242,331	\$ 5,048,138	\$ 5,595,704	\$ 6,336,304
\$	320,502	\$ 375,145	\$ 416,333	\$ 417,211	\$ 395,253	\$ 391,605
	265,401	244,825	403,122	281,282	528,395	904,290
	174,493	137,416	153,834	150,566	177,440	147,819
	-	-	-	-	-	-
	-	-	446,200	20,000	44,000	69,012
	54,206	49,717	55,793	73,417	125,560	60,328
	204,609	235,912	318,485	239,527	265,617	340,582
	44,545	127,814	217,542	428,619	344,094	463,240
	1,063,756	1,170,829	2,011,309	1,610,622	1,880,359	2,376,876
	309,440	279,547	232,193	272,583	290,121	278,611
	-	-	-	-	-	-
	-	-	-	5,374	-	-
	309,440	279,547	232,193	277,957	290,121	278,611
\$	1,373,196	\$ 1,450,376	\$ 2,243,502	\$ 1,888,579	\$ 2,170,480	\$ 2,655,487
\$	(5,194,028)	\$ (2,817,902)	\$ (2,671,001)	\$ (2,864,138)	\$ (3,104,650)	\$ (3,371,607)
	(261,888)	(303,541)	(327,828)	(295,421)	(320,574)	(309,210)
\$	(5,455,916)	\$ (3,121,443)	\$ (2,998,829)	\$ (3,159,559)	\$ (3,425,224)	\$ (3,680,817)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2008*
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 1,193,526	\$ 1,318,803	\$ 1,457,956	\$ 1,573,980
Road and bridge	17,036	19,323	24,253	26,044
Sales	125,850	122,734	134,837	99,675
Amusement	-	-	-	-
Telecommunications and utility	38,319	43,887	47,303	33,390
Intergovernmental				
Use	72,478	77,395	93,356	78,486
Income	459,619	506,965	592,297	463,844
Replacement	1,584	1,722	1,996	1,190
Investment income	388,173	375,681	307,352	123,855
Miscellaneous	196,325	541,359	1,277,528	1,143,225
Transfer in (out)	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Total governmental activities	<u>2,492,910</u>	<u>3,007,869</u>	<u>3,936,878</u>	<u>3,543,689</u>
Business-Type Activities				
Investment income	-	144,838	56,872	11,846
Miscellaneous	-	-	5,326	6,788
Transfer in (out)	-	-	-	-
Total business-type activities	<u>-</u>	<u>144,838</u>	<u>62,198</u>	<u>18,634</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,492,910</u>	<u>\$ 3,152,707</u>	<u>\$ 3,999,076</u>	<u>\$ 3,562,323</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 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 POSITION	<u>\$ 1,481,525</u>	<u>\$ 5,051,322</u>	<u>\$ (4,104,361)</u>	<u>\$ (216,404)</u>

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

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	1,644,331	\$ 1,655,146	\$ 1,845,400	\$ 1,839,594	\$ 1,852,159	\$ 1,886,580
	15,573	17,947	17,251	22,321	17,196	18,420
	112,426	98,707	113,385	116,166	127,735	179,487
	-	2,520	-	2,801	1,312	2,566
	49,460	362,993	653,258	603,957	607,417	600,113
	87,123	100,952	111,736	120,732	130,782	149,254
	611,462	592,076	596,510	673,328	730,133	733,685
	1,621	1,713	1,460	1,546	1,725	1,761
	98,360	47,888	18,984	13,632	8,465	201,303
	60,429	147,855	508,400	136,190	272,197	535,535
	(191,620)	(96,463)	(245,783)	(119,605)	(259,849)	(298,256)
	-	-	-	-	-	-
	2,489,165	2,931,334	3,620,601	3,410,662	3,489,272	4,010,448
	11,351	6,277	5,875	2,662	964	887
	5,775	7,931	1,199	2,777	41,759	601
	191,620	96,463	245,783	119,605	259,849	298,256
	208,746	110,671	252,857	125,044	302,572	299,744
\$	2,697,911	\$ 3,042,005	\$ 3,873,458	\$ 3,535,706	\$ 3,791,844	\$ 4,310,192
\$	(2,704,863)	\$ 113,432	\$ 949,600	\$ 546,524	\$ 384,622	\$ 638,841
	(53,142)	(192,870)	(74,971)	(170,377)	(18,002)	(9,466)
\$	(2,758,005)	\$ (79,438)	\$ 874,629	\$ 376,147	\$ 366,620	\$ 629,375

VILLAGE OF HAWTHORN WOODS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2008*
GENERAL FUND				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted				
Highway and streets	-	-	-	-
Assigned				
Cash reserves	-	-	-	-
Unassigned	-	-	-	-
Reserved	-	47,383	-	55,751
Unreserved	3,965,577	1,261,649	550,432	114,131
TOTAL GENERAL FUND	\$ 3,965,577	\$ 1,309,032	\$ 550,432	\$ 169,882
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted				
Highway and streets	-	-	-	-
Debt service	-	-	-	-
Capital improvements	-	-	-	-
Special recreation	-	-	-	-
Assigned				
Capital improvements	-	-	-	-
Parks and recreation	-	-	-	-
Sister Cities	-	-	-	-
Unassigned	-	-	-	-
Reserved	7,935,701	7,379,903	5,226,866	4,605,340
Unreserved, reported in				
Special Revenue Funds	-	-	66,773	445,725
Capital Projects Funds	-	-	(465,318)	516,527
Permanent Funds	-	-	-	-
TOTAL ALL OTHER GOVERNMENT FUNDS	\$ 7,935,701	\$ 7,379,903	\$ 4,828,321	\$ 5,567,592

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

** The Village implemented GASB Statement No. 54 as of December 31, 2010.

Data Source

Audited Financial Statements

	2009	2010**	2011	2012	2013	2014
\$	-	\$ 157,867	\$ 168,988	\$ 187,049	\$ 35,145	\$ 65,615
	-	34,845	-	-	-	-
	-	162,763	742,454	1,173,612	1,192,322	1,332,063
	-	-	-	278,684	528,117	546,020
	126,931	-	-	-	-	-
	177,748	-	-	-	-	-
\$	304,679	\$ 355,475	\$ 911,442	\$ 1,639,345	\$ 1,755,584	\$ 1,943,698
\$	-	\$ -	\$ -	\$ 867	\$ 17,332	\$ 17,332
	-	301,900	368,909	469,169	498,996	568,544
	-	17,204	-	320	6,243,097	5,749,639
	-	212,373	293,991	270,966	249,360	294,601
	-	35,136	284,527	342,279	438,674	485,350
	-	539,321	995,561	897,302	1,280,026	1,676,407
	-	135,987	-	28,708	27,621	-
	-	-	-	-	-	2,677
	-	-	-	-	-	(89,539)
	2,610,178	-	-	-	-	-
	541,222	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	3,151,400	\$ 1,241,921	\$ 1,942,988	\$ 2,009,611	\$ 8,755,106	\$ 8,705,011

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2008*
REVENUES				
Taxes	\$ 1,336,412	\$ 1,504,747	\$ 1,664,349	\$ 1,733,089
Licenses, permits and fees	2,806,969	1,689,836	1,970,632	535,720
Intergovernmental	803,002	778,798	908,249	687,262
Developer park donations	68,932	-	-	-
Investment income	388,173	375,681	307,352	123,855
Contribution from property owners	-	3,345,218	-	-
Miscellaneous	3,627,393	566,719	1,347,536	1,166,280
Total revenues	9,030,881	8,260,999	6,198,118	4,246,206
EXPENDITURES				
General government	2,025,831	921,354	921,407	654,730
Building and zoning	-	999,072	1,365,255	215,819
Public safety	1,270,570	1,514,586	1,779,245	926,758
Buildings and grounds	106,155	-	-	-
Public works	-	4,181,851	5,177,240	2,026,719
Streets and bridges	4,184,822	-	-	-
Parks and recreation	94,096	23,337	87,001	51,976
Capital outlay	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	7,808,114	7,899,741	9,548,406	3,992,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,222,767	361,258	(3,350,288)	253,838
OTHER FINANCING SOURCES (USES)				
Transfers in	50,208	4,505,399	1,091,000	2,501,275
Transfers (out)	(50,208)	(4,505,399)	(1,091,000)	(2,501,275)
Sale of capital assets	-	-	-	-
Debt certificates issued at par	-	-	-	-
Premium of debt certificates issued	-	-	-	-
Installment contracts issued	130,821	-	102,809	104,883
Total other financing sources (uses)	130,821	-	102,809	104,883
NET CHANGE IN FUND BALANCES	\$ 1,353,588	\$ 361,258	\$ (3,247,479)	\$ 358,721
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	1.55%	0.30%	3.29%

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

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	1,821,790	\$ 2,137,313	\$ 2,629,294	\$ 2,584,839	\$ 2,605,818	\$ 2,651,562
	788,389	782,590	975,051	945,277	1,398,578	1,850,366
	904,815	930,653	1,203,190	1,208,133	1,140,233	1,448,439
	-	-	-	-	-	-
	98,360	47,888	18,984	13,632	8,465	201,303
	-	-	-	-	30,580	114,838
	131,187	300,182	1,051,174	455,258	422,806	419,072
	3,744,541	4,198,626	5,877,693	5,207,139	5,606,480	6,685,580
	768,837	1,191,122	1,380,475	1,194,467	1,284,758	1,403,087
	215,496	313,575	268,975	330,120	468,692	790,529
	1,309,295	1,232,033	1,273,349	1,261,662	1,275,287	1,419,335
	-	-	-	-	-	-
	3,433,189	2,935,261	853,134	784,597	802,468	947,117
	-	-	-	-	-	-
	97,978	142,531	251,742	280,814	359,201	574,735
	481	127,814	328,690	422,837	456,632	318,824
	12,592	13,353	14,193	15,076	46,597	605,000
	5,919	5,157	4,318	3,435	102,925	190,678
	5,843,787	5,960,846	4,374,876	4,293,008	4,796,560	6,249,305
	(2,099,246)	(1,762,220)	1,502,817	914,131	809,920	436,275
	982,667	36,856	97,629	466,250	216,827	409,940
	(1,174,287)	(133,319)	(343,412)	(585,855)	(476,676)	(708,196)
	-	-	-	-	-	-
	-	-	-	-	6,240,000	-
	-	-	-	-	71,663	-
	-	-	-	-	-	-
	(191,620)	(96,463)	(245,783)	(119,605)	6,051,814	(298,256)
\$	(2,290,866)	\$ (1,858,683)	\$ 1,257,034	\$ 794,526	\$ 6,861,734	\$ 138,019
	0.32%	0.32%	0.43%	0.45%	3.27%	13.42%

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
2004	\$ 326,129,442	\$ 1,647,673	\$ 1,623,579	\$ 4,633	\$ 329,405,327	0.364	\$ 988,215,981	33.333%
2005	367,957,407	3,981,627	1,936,706	4,263	373,880,003	0.355	1,121,640,009	33.333%
2006	418,880,744	3,312,752	2,409,922	4,587	424,608,005	0.346	1,273,824,015	33.333%
2007	467,631,887	5,976,372	2,068,251	6,233	475,682,743	0.333	1,427,048,229	33.333%
2008	485,176,796	6,080,326	2,417,801	8,509	493,683,432	0.334	1,481,050,296	33.333%
2009	490,523,955	6,478,337	2,947,908	9,745	499,959,945	0.331	1,499,879,835	33.333%
2010	475,634,164	6,378,401	2,868,569	48,726	484,929,860	0.381	1,454,789,580	33.333%
2011	432,886,729	6,690,474	2,975,100	44,489	442,596,792	0.416	1,327,790,376	33.333%
2012	392,631,863	7,087,727	2,530,103	35,767	402,285,460	0.460	1,206,856,380	33.333%
2013	377,383,011	6,382,113	2,615,038	79,320	386,459,482	0.489	1,159,378,446	33.333%

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

2014 property tax information not available at the time of printing.

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	2004	2005	2006	2007
Village Direct Rates (A)				
Corporate	0.201	0.224	0.224	0.222
Police protection	0.044	0.054	0.051	0.047
Street and bridge - Ela	0.091	0.048	0.043	0.037
Audit tax	0.002	0.005	0.003	0.003
Liability insurance	0.015	0.014	0.012	0.011
Unemployment insurance	0.000	0.000	0.000	0.000
Special recreation	0.011	0.010	0.013	0.013
Total direct rate without SSAs	0.364	0.355	0.346	0.333
Special Service Areas				
SSA #1	0.280	0.260	0.249	0.231
SSA #2	0.265	0.219	0.170	0.148
SSA #3	0.243	0.234	0.228	0.209
Total direct rate with SSAs	1.152	1.068	0.993	0.921
Overlapping Rates				
Lake County	0.465	0.454	0.450	0.444
Lake County Forest Preserve	0.219	0.210	0.204	0.201
Ela Township-Corp	0.085	0.085	0.086	0.082
Ela Township-R & B	0.011	0.010	0.010	0.010
Ela Township-Gravel	0.030	0.030	0.032	0.032
School District #95	4.082	4.040	3.992	3.830
School District #96	3.038	3.000	2.989	2.772
School District #79	2.572	2.565	2.529	2.379
Consolidated H.S. District #125	2.062	2.112	2.134	2.114
Community College #532	0.200	0.197	0.195	0.192
Ela Area Library	0.334	0.323	0.317	0.306
Countryside Fire District	0.422	0.400	0.398	0.390
Lake Zurich Fire District	0.358	0.493	0.511	0.547
Wauconda Fire District	0.450	0.434	0.425	0.421
Long Grove Fire District	0.547	0.526	0.549	0.547
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	16.027	15.947	15.814	15.188
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF HAWTHORN WOODS	4.0%	3.9%	3.8%	3.7%

The Village lies in Ela Township and Fremont Township. Only Ela Township is reflected as it represents 78% of the Village's assessed valuation.

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

2014 property tax rates not available at the time of printing.

Data Source

Office of the County Clerk

2008	2009	2010	2011	2012	2013
0.044	0.018	0.086	0.061	0.068	0.124
0.167	0.166	0.147	0.190	0.229	0.239
0.096	0.074	0.079	0.092	0.087	0.047
0.003	0.004	0.004	0.005	0.005	0.006
0.000	0.000	0.025	0.028	0.031	0.033
0.011	0.029	0.000	0.000	0.000	0.000
0.013	0.040	0.040	0.040	0.040	0.040
0.334	0.331	0.381	0.416	0.460	0.489
0.223	0.221	0.229	0.253	0.279	0.267
0.139	0.132	0.135	0.149	0.166	0.161
0.210	0.204	0.214	0.242	0.271	0.259
0.906	0.888	0.959	1.060	1.176	1.176
0.453	0.464	0.505	0.554	0.608	0.663
0.199	0.200	0.198	0.201	0.212	0.218
0.084	0.084	0.091	0.099	0.088	0.100
0.005	0.007	0.008	0.009	0.010	0.057
0.038	0.036	0.039	0.042	0.030	0.000
3.899	3.901	4.136	4.446	4.914	5.242
2.869	2.916	3.086	3.453	3.756	3.976
2.435	2.485	2.663	2.937	3.267	3.521
2.139	2.185	2.306	2.465	2.751	2.989
0.196	0.200	0.218	0.240	0.272	0.296
0.308	0.308	0.329	0.356	0.386	0.409
0.417	0.421	0.422	0.495	0.552	0.597
0.561	0.564	0.607	0.504	0.654	0.695
0.432	0.442	0.480	0.530	0.614	0.681
0.549	0.599	0.616	0.692	0.766	0.812
15.490	15.700	16.663	18.083	20.056	21.432
3.6%	3.5%	3.7%	3.7%	3.7%	3.5%

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Six Years Ago

Taxpayer	2013 Tax Levy			2007 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	\$ 1,480,106	1	0.38%	\$ 1,593,637	1	0.34%
Aqua Illinois, Inc. Regional Office	783,110	2	0.20%	963,564	4	0.20%
Icon Development Group, LLP	723,876	3	0.19%			
Icon Development Group, LLP	651,624	4	0.17%			
Toll Brothers	627,031	5	0.16%	1,019,264	2	0.21%
Icon Development Group, LLP	618,368	6	0.16%			
Tauke Properties, Inc.	515,096	7	0.13%			
Starzwood Development, Inc.	489,370	8	0.13%			
Hawthorn 45 LLC	466,095	9	0.12%			
AGP Investments, LLC	464,366	10	0.12%			
Toll IL HWCC, LP				963,564	3	0.20%
Bank of Waukegan				668,841	5	0.14%
Individual				542,541	6	0.11%
Boss Hob, LLC				512,683	7	0.11%
Individual				463,472	8	0.10%
Individual				451,964	9	0.10%
Individual				444,165	10	0.09%
	<u>\$ 6,819,042</u>		<u>1.76%</u>	<u>\$ 7,623,695</u>		<u>1.60%</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.

2014 information was not available at the time of printing. 2007 is oldest information available.

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 (B)	Levy Collections	
		Amount	Percentage of Levy
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	2,887,799	2,711,355	93.89%
2009	2,523,480	2,539,642	100.64%
2010	2,855,937	2,869,938	100.49%
2011	2,859,307	2,857,044	99.92%
2012	3,063,563	3,062,408	99.96%
2013	3,021,539	2,923,682	96.76%
2014(A)	N/A	N/A	N/A

(A) Collections for the 2014 Tax Levy Year will not be received until fiscal year 2015.

(B) Tax Levied reflects total amount extended and billed by Lake County.

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	Debt Certificates, Net of Premium	Installment Contracts Payable	General Obligation Bonds	Revenue Bonds Payable	Revenue Bonds Unamortized Premium			
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
2009	-	-	89,219	-	2,805,000	-	2,894,219	0.98%	375
2010	-	-	75,866	-	2,570,000	-	2,645,866	0.80%	345
2011	-	-	61,673	-	2,895,000	13,456	2,970,129	0.90%	388
2012	-	-	46,597	-	2,760,000	12,380	2,818,977	0.85%	366
2013	-	6,311,663	-	-	2,625,000	11,774	8,948,437	2.71%	1,168
2014	-	5,699,715	-	-	2,485,000	11,146	8,195,861	2.48%	1,070

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 99 for personal income and population data.

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

Data Source

Audited Financial Statements

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, 2014

Governmental Unit	Gross Debt (A)	Percentage Debt Applicable to the Village (B)	Village's Share of Debt
Village of Hawthorn Woods	\$ 5,635,000	100.000%	\$ 5,635,000
Lake County, including Forest Preserve District	377,910,000	1.684%	6,364,004
Ela Area Public Library District	4,250,000	18.917%	803,973
Fremont Public Library District	3,625,000	8.154%	295,583
Mundelein Park District	1,280,000	67.000%	858
Countryside Fire Protection District	4,230,000	11.538%	488,057
School District #79	23,610,000	22.439%	5,297,848
School District #96	1,015,000	1.358%	13,784
Community Unit School District #95	20,605,145	14.243%	2,934,791
High School District #120	9,364,073	6.701%	627,487
High School District #125	42,735,000	3.294%	1,407,691
Community College District #532	<u>76,910,000</u>	1.776%	<u>1,365,922</u>
TOTAL OVERLAPPING DEBT	<u>\$ 565,534,218</u>		<u>\$ 19,599,998</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 571,169,218</u>		<u>\$ 25,234,998</u>

(A) Gross debt is calculated as of December 31, 2014.

(B) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit. Overlapping percentages are based on 2013 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
2006	\$ -	\$ -	\$ -	\$ -
2007	-	-	-	-
2008	272,027	-	-	-
2008**	291,643	-	133,238	2.19
2009	316,726	-	133,238	2.38
2010	287,478	235,000	127,300	0.79
2011	233,618	105,000	96,805	1.16
2012	275,360	135,000	120,610	1.08
2013	290,583	135,000	117,910	1.15
2014	279,196	140,000	114,535	1.10

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, 2014

Maximum allowable general obligation debt (8.625% of assessed valuation of \$386,459,482)	\$ 33,332,130
General obligation bonds	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 33,332,130</u></u>

Data Source

Village records

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
2006	6,002	\$ 296,174,692	\$ 49,346	0.8%
2007	6,002	296,174,692	49,346	4.6%
2008	7,716	380,753,736	49,346	5.1%
2008*	7,716	380,753,736	49,346	6.2%
2009	7,716	380,753,736	49,346	9.9%
2010	7,663	330,727,417	43,159	10.6%
2011	7,663	330,727,417	43,159	8.6%
2012	7,663	330,727,417	43,159	8.7%
2013	7,663	330,727,417	43,159	8.2%
2014	7,663	330,727,417	43,159	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 Seven Years Ago

Employer	2014			2007		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Community Unit School District-						
Kemper Sports	70.0	1	0.9%	82.0	2	1.4%
Spencer Loomis	55.0	2	0.7%	90.0	1	1.5%
Barn Nursery	50.0	3	0.7%	22.0	6	0.4%
Hawthorn Gardens	33.0	4	0.4%	27.0	4	0.4%
Village of Hawthorn Woods	28.0	5	0.4%	31.5	3	0.5%
St. Matthew Lutheran Church and School	20.0	6	0.3%	19.0	7	0.3%
Country Bumpkin	17.0	7	0.2%	17.0	8	0.3%
Kiddy Garden	13.0	8	0.2%	13.0	10	0.2%
RH Insurance	11.0	9	0.1%	14.0	9	0.2%
Toll Brothers	-	10	0.0%	25.0	5	0.4%
TOTAL	297			341		

Information from 2005 is not available; therefore, the year 2007 information is presented for comparative purposes.

Data Source

Village records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2008*	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Administration	2.0	3.0	3.0	3.0	3.0	3.0	2.0	4.0	4.0	2.0
Finance	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Building and zoning	3.5	3.5	1.0	1.0	1.0	2.0	2.0	2.0	2.0	3.0
Parks and recreation	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
PUBLIC SAFETY										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Officers	15.0	15.0	11.0	11.0	8.0	9.0	9.0	9.0	9.0	10.0
PUBLIC WORKS										
Administration	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Street maintenance	5.0	5.0	3.0	3.0	3.0	3.0	5.0	5.0	6.0	6.0
TOTAL	30.5	32.5	22.0	22.0	19.0	21.0	22.0	25.0	26.0	28.0

*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	2006	2007	2008	2008*	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Physical arrests	209	232	212	146	119	115	138	132	81	70
Parking violations	150	257	508	405	871	680	638	767	1,426	1,011
Traffic violations	3,248	3,734	2,624	1,493	2,386	2,170	2,009	1,235	1,783	743
PUBLIC WORKS										
Vehicles maintained by dept	21.0	20.0	20.0	16.0	20.0	20.0	20.0	21.0	22.0	24.0
Street reconstruction (miles)	4.0	4.5	3.0	-	0.5	-	-	-	-	-
Street resurfacing (miles)	3.0	1.0	2.0	6.0	4.5	-	-	-	-	-

*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	2006	2007	2008	2008*	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	2	2	2	2	2	2	2	2	2	2
Patrol units	15	16	10	10	8	8	8	8	8	8
PUBLIC WORKS										
Miles of streets	47.4	47.4	58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0
Streetlights	38	38	38	38	38	38	38	38	38	53
Traffic signals	2	2	2	2	2	2	2	2	2	2
WASTEWATER										
Miles of storm sewers	24	24	24	24	24	24	24	24	24	24
Miles of sanitary sewers	-	-	-	-	-	-	-	0.5	0.5	0.5
Miles of forcemain	-	-	-	-	-	-	-	2.4	2.4	2.4
Lift stations	-	-	-	-	-	-	-	2	2	2

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

Data Source

Various Village departments