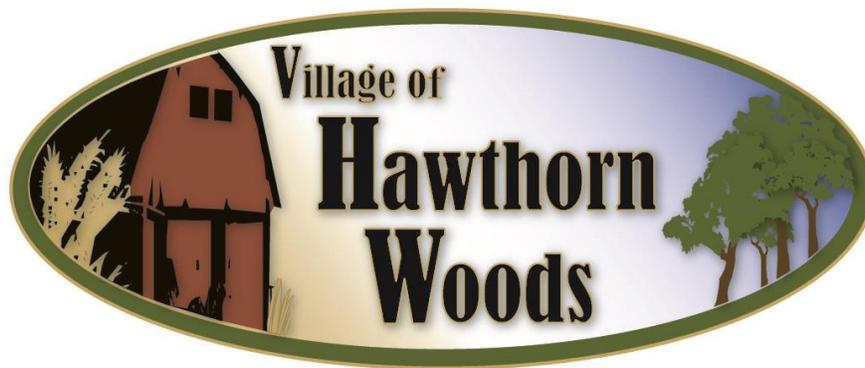


**VILLAGE OF  
HAWTHORN WOODS, ILLINOIS**



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2023

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, 2023

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**VILLAGE OF BOARD TRUSTEES**

Dominick DiMaggio, Mayor

Farah Laman

James Kaiser

Cathy Bayer

Jodi McCarthy

Anne Hurst

Thomas Rychlik

Chief Operating Officer  
Pamela O. Newton, MSOL,  
ICMA Credentialed Manager

Chief Administrative Officer/Village Clerk  
Donna Lobaito, RMC, CMC

Chief Financial Officer  
Katreina Koprowski, MBA, MSA

Director of Public Safety/Interim Chief of Police  
John Malcolm

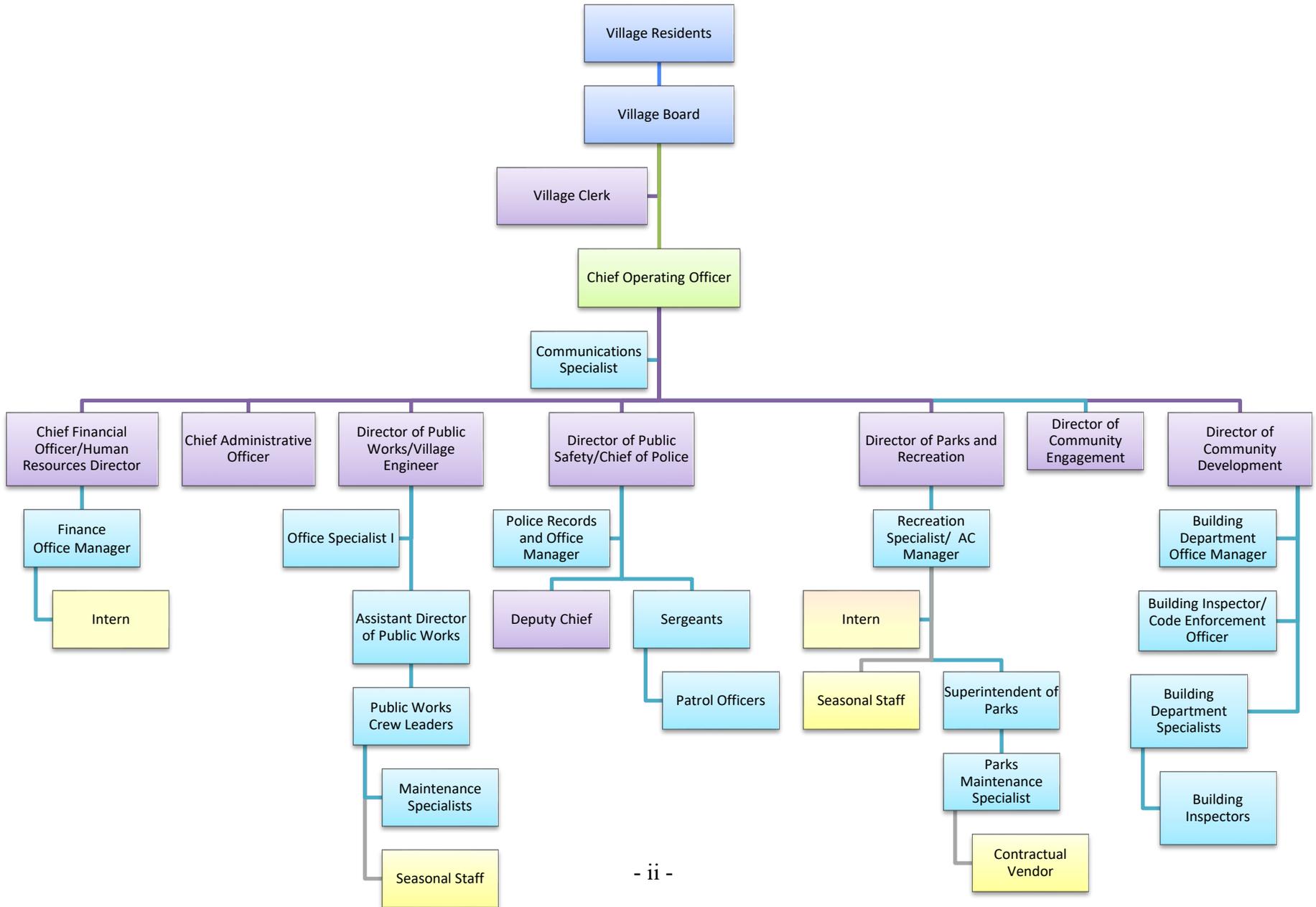
Director of Public Works/Village Engineer  
Erika Frable, PE

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

Director of Community Development  
Chris Heinen

Director of Community Engagement  
Amy Mason, MPA, CPRP

# Village of Hawthorn Woods – Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

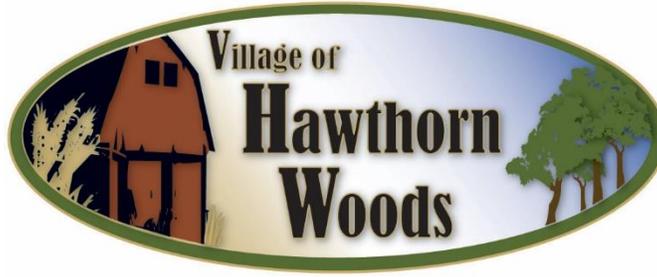
**Village of Hawthorn Woods  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



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

May 15, 2024

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, 2023 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, 2023. 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 9,062 as a result of the census conducted in 2020. The Village covers an area of 8.26 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 8.26 square miles within the Village's boundaries is still undeveloped. The Village is actively pursuing means to spur development, guided by the Comprehensive Plan. The Village is also in land development discussions that could increase residential housing units.

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 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 31<sup>st</sup> of each year. The zero-based budget serves as the foundation for the Village's financial planning and control followed by a second round of priority assessments ranking. 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 so that the total budget is balanced, the budget is presented to the Finance Committee and the Village Board for final review. The Village Board holds public hearings and may add to, subtract from, or change budgeted amounts.

## **Local Economy and Finances**

In March 2023, the Village Board approved a financial policy to increase our fund balance goal of 35% to 50% in order to continue General Fund operations for a period of at least 6 months. With the updated fund balance goal, the Village's General Fund now exceeds the Village Board approved goal of 50% of the subsequent year's operating budget. In addition, we have maintained this industry standard of excellence for a full operating year. This fund balance goal complies with best practices in governmental accounting and the Village's Fund Balance and Reserve Policy.

Regarding the local economy, the Village continues to grow in area and population with a new population of 9,062 residents.

With an increased population, participation has rebounded significantly in our community events, programs, and classes since the height of the pandemic. The Village remains active in new home construction starts, with MI Homes completing a 105 lot build out in the Hawthorn Woods Country Club.

Additionally, The Barn at Timber Point event center is scheduled to open in May 2024, providing revenue opportunities through food and beverage tax collection and other permits such as obtaining a liquor license, on an annual basis.

The Village's main development revenue stream is based on the choice location of its land in the Chicagoland area and the premier value of its residential property tax base. The Village continues to have a strong new housing market, having issued 36 new housing permits in 2023, 36 new housing permits in 2022, 59 new home permits in 2021, 90 new home permits in 2020, and 57 new home permits in 2019.

Due to an intergovernmental tax sharing agreement with the Villages of Lake Zurich and Kildeer, the Village of Hawthorn Woods is receiving shared sales tax revenue generated at Quentin Road and Route 22 from Mariano's (including the Mariano's gas station) and McDonalds. The Village remains vigilant in aggressively monitoring operating and capital expenditures to sustain its financial stability and will reduce expenditures approved in the Budget if revenues take a downward turn. The Village continues to work toward diversifying its sales tax base, and in 2023 several new initiatives took place toward creating shovel ready development sites in Hawthorn Woods, including grant awards to extend utilities to our uptown area near Gilmer Road.

### **Long-term Financial Planning**

The Village's main revenue stream is based upon property taxes, choice location of its land, and the premier value of its residential base in Lake County. Although there has been strong interest in the residential land development area and annexations trending toward growth, the Village staff has continued to carefully monitor all expenditures. This conservative approach prohibits expenditures of anticipated revenue until it is received, even after approval of development entitlements. All purchases in excess of \$1,000 require three quotes to ensure the best possible pricing is obtained. Department Heads follow a zero-based budgeting strategy, critically examining the most cost-effective way to provide the highest quality services to our residents. Department Heads justify their needs based off of their services and programs scheduled for the year. There is no automatic increase or starting point from the previous year's budget.

The budget for the twelve months ended December 31, 2023 is balanced. The focus for managing the 2023 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 ten 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, 2023, the fund balance in the general fund is \$5,145,585 which exceeds our 2024 expenditure budget. This balance exceeds the Village's goal of 50% of the following year's annual operating budget.

Over the past five years, two engineering studies have been completed by the Village's consulting engineer. These studies revealed that 90% of Village roadways urgently need either resurfacing or reconstruction. Additionally, corrugated metal pipes under roadways and the Village's aged storm system are failing village-wide.

The Village was successful in passing a referendum question on the June 28, 2022 ballot seeking a sustainable funding source to increase the tax rate levy. The Village levied the additional amount in 2023 for the first time after the referendum. This new revenue is now funding an annual \$900,000 of additional dedicated funds for the Village streets and drainage improvement program to repair and replace aging road infrastructure and underground culverts. These funds will also be used to provide ongoing road maintenance on municipal streets, creating the first municipal sustainability program for infrastructure in the Village's history.

### **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, all approved checks are still hand signed by the Chief Operating Officer and the Chief Administrative Officer facilitating a three-tier review process. 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.

In 2023, we seized the opportunity to begin an investment strategy in laddering certificates of deposits to take advantage of unprecedented high interest rates, and through thoughtful analysis, incorporated our investments into a second financial institution in Hawthorn Woods. By competing between the financial institutions within our Village boundaries for the best rates, we are finding favorable results with interest rates as never seen in recent history.

### **Major Initiatives**

The Village is pro-actively working to expand sustainable non-property tax revenue streams and diversify our revenue base. Additionally, land parcel annexations are still anticipated in the future for Village growth expansion opportunities.

Fiscal year 2023 brought a new revenue source to the Village with the passage of a road referendum in 2022, bringing a new sustainable tax income for a new road repair and maintenance fund. With a realized annual influx of over \$900,000, the Village has increased its financial strength toward infrastructure demands.

In 2023, the Village saw movement forward in growth and expansion of Village services, especially in the Police Department and Public Works Department to keep pace with our population growth. Our Community Development Department was busy issuing permits, plan reviews, and inspections as more people invested in building projects and home improvements to accommodate work from home and learn from home space needs. During the first year of the pandemic, we experienced a 34% increase in permits. In 2021, the trend continued with another 9% increase over the record-breaking 2020 numbers. In 2022, with many families now permanently working from home or in a hybrid remote work location, the Village offices saw a remarkable increase in email and phone communications in every department. In 2023, the trend has held steady with 2022 numbers with residents continuing to invest in their homes.

Due to the successful passing of the road referendum Hawthorn Woods Still Paving the Way, the Village Board voted to eliminate the vehicle sticker program and fees, beginning in Fiscal Year 2023. Therefore, the Village experienced a revenue loss of over \$156,000 with the discontinuation of the program.

With the resurgence of activity in 2023, the Village progressed forward with new accolades and accomplishments, grant awards, innovative programs, new special event gatherings, and holiday celebrations, drawing large outdoor crowds. The Village conducted tours of our community several times in 2023 including an on-site visit from America in Bloom judges and the Executive Director, which earned us national designations, including first place in the National Award for Community Champion in our population category. This was our third win in this category.

Discussions regarding utility expansion services and capacity standards for water and sewer service are underway regarding additional capacity for sewer treatment. In order to comply with a growing demand for potable water, Aqua Illinois completed construction of the Village's first elevated water tower in 2018 that now serves the needs of a growing population and exceeds emergency water supply standards. This 1.8 million-dollar investment into Hawthorn Woods was compromised in the summer of 2023 when a water main break drained the water tower and the Aqua Illinois residents were without potable water for nearly a week. Improvements in the system, including a secondary pump station to be located at the water tower site, are planned for the 2024 construction season.

In order to facilitate the expansion of water and sewer to underserved areas of the Village, the Village has undertaken grant proposals to extend utilities along the Gilmer Road right of way to extend utilities toward the uptown area to parcels yet to be developed. The Village was awarded almost \$2 million dollars in grant funds in 2023 to begin this major initiative that will spur economic growth in the uptown area.

Hawthorn Woods continues to be a leader in the Lake County area in the starting of new housing construction as a result of our recent home building success. The Village of Hawthorn Woods is actively diversifying our housing stock to attract and retain a vibrant and diverse population.

Active building construction projects currently underway in Hawthorn Woods are numerous.

1. The Village annexed a 40-acre parcel of land that will be mixed use development, including the construction of an event venue that will serve as a wedding and special events facility with catering service. This will become a destination for additional customers and business opportunities to co-locate on the site. The grand opening of the Barn at Timber Point is scheduled for May 2024.
2. In the summer of 2022, a new ordinance established a 1% food and beverage tax that will help to offset infrastructure maintenance and municipal services from those visitors and residents frequenting the restaurants located in Hawthorn Woods. This is a pass-through tax directed to the consumer. The Village collected this tax for an entire year. This data will allow the Village analyze our fees and make necessary changes in the future.
3. William Ryan Homes completed construction of a development of 60 new homes known as the **Stonebridge** development located off of Old McHenry Road in 2022. All lots were sold and homes and site final improvements are to be completed in 2024 for another sold out development.
4. At the southern border of the Village at Route 22 and Quentin Road, Icon Homes has escalated construction on a new urban design single family home product in the **Hawthorn Trails Phase 3** subdivision called Hawthorn Place. There are 11 homes still remaining to be built out of 37 homes approved.

5. Construction of a retail/commercial 5-acre parcel at the corner of Quentin Road and Route 22 is now complete and the business is operational. The Kiddie Academy child care center is currently open for business and has quickly become engaged in the Hawthorn Woods community. A new bank was permitted in 2022 (Wintrust Bank) on this commercial parcel and construction initiated in the spring of 2023. The Hawthorn Woods Community Bank had their scheduled opening in January 2024.
6. Construction is being completed at the **Villas at the Commons** by K. Hovanian Homes on Midlothian Road. 72 new single-family home lots are built out as a part of this new subdivision. All lots have been sold and home construction is now complete and are waiting for the public improvements to be finalized.
7. **High Point Estates** was approved in 2018 as a neighborhood of duplexes in the northern part of Hawthorn Woods. Construction has been completed by MI Homes.
8. One of our largest developments, **Hawthorn Hills**, has all residential lots sold out of 220 approved single-family homes. Pulte Homes is the developer and we anticipate this subdivision selling its last 5-acre commercial parcel at the corner of Midlothian and Gilmer roads in the near future.
9. This year the Hawthorn Woods Country Club infill development continues with new construction on the remaining 105 single-family home lots in the subdivision. MI Homes is in the process of construction of new homes, with permits continuing at a steady pace. The model home was opened to the public in the spring of 2023.

## **Awards and Acknowledgements**

Our municipal staff consistently works in harmony with our legislative team of elected officials, and our collective efforts have been recognized locally, statewide, and nationally. Hawthorn Woods has become a leader in environmental efforts, and we are being awarded for our sustainable work in this effort.

In 2018 and for every subsequent year, the Village of Hawthorn Woods has been awarded a national award by the America in Bloom Foundation. Hawthorn Woods competed with cities and towns throughout the nation and was judged on several criteria that make a community sustainable and an attractive place to live. Hawthorn Woods also received recognition as the 1<sup>st</sup> place winner of several national categories. Our work to showcase our natural resources and our initiatives underway to conserve and restore our ecosystems were highlighted, along with our Urban Forestry Program.

Also, adding to our environmental resume, the Village received the highest designation from the Audubon International group including the Green Planning Award and Sustainable Community Award. The Village became the first community in the State of Illinois to achieve the Audubon Community Award in 2022, which recognizes excellence in planning efforts with sustainable principles, and we still hold this unique distinction today in 2024.

A few years ago, in 2020, the Village received the distinctive Governor's Hometown Award, with Hawthorn Woods selected as the winner in the Environmental Stewardship category. The Village competed and won this distinctive honor by Governor Pritzker of Illinois as selected from the Serve Illinois Commission. We continue to receive accolades for this award as part of our environmental accolades.

The Village has received several additional acknowledgements including the Safest Cities in the State of Illinois, the Most Desirable Place to Live in the United States in our population category, and in the top five wealthiest cities in Illinois.

The Village has also been awarded the International Dark Sky Community designation and the National Audubon Community Planning designation to showcase our environmental leadership on a national platform. These acknowledgements from independent sources recognize the efforts of the Village Board and staff to keep Hawthorn Woods a highly desirable place to live, work, play, and shop in a natural setting among trees, lakes and parks.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hawthorn Woods for its annual comprehensive financial report for the year ended December 31, 2022. This was the eighteenth (18th) 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 Annual Comprehensive Financial Report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements. We also received our 4<sup>th</sup> consecutive award for our Popular Annual Financial Report through GFOA. The Popular Annual Financial Report is an easy-to-read summary of our government financial portfolio.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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 Dominick DiMaggio, 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 Annual Comprehensive 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



Katreina S. Koprowski  
Chief Financial Officer

## **FINANCIAL SECTION**

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Hawthorn Woods, Illinois (the Village), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Hawthorn Woods, Illinois as of December 31, 2023, 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.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we

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

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

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

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

### *Other Information*

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

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

*Sikich CPA LLC*

Naperville, Illinois

May 15, 2024

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **VILLAGE OF HAWTHORN WOODS, ILLINOIS**

## **Management's Discussion and Analysis December 31, 2023**

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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, 2023. Please read it in conjunction with the transmittal letter, which begins on page iv and the Village's financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- The Village's total net position was \$15,992,707 as of December 31, 2023. Unrestricted net position (net position used to meet ongoing operations) totaled \$1,006,881. Restricted net position totaled \$2,350,474 and net position invested in capital assets totaled \$12,635,352.
- The Village's net position decreased as a result of this year's operations. Net position of business-type activities decreased by (\$246,668), or -4.8 percent; and net position of the governmental activities increased by \$118,792, or 1.1 percent.
- Capital assets net of depreciation totaled \$13,250,352 as of December 31, 2023, a decrease of \$296,102, due primarily to depreciation expense for the year ended December 31, 2023 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 5-8) 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 9. 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, 2023

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### 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 5-8 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 and sewer 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, 2023

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### 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 eight 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, Motor Fuel Tax Fund, Community Development Fund, Parks and Recreation and the Road Program Fund, all of which are considered major funds. The Village also reports three non-major governmental funds: the Park Donation, Capital Improvements and Debt Service Funds.

The Village adopts an annual appropriated budget for all of the governmental funds, (except 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 9-13 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 and sewer 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 and the Sewer Fund; both funds considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 14-16 of this report.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

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### 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 Village maintains five fiduciary funds: the Police Pension Fund, Special Service Area #1 Fund, Special Service Area #2 Fund, Special Service Area #3 Fund and Special Service Area #4 Fund. The basic fiduciary fund financial statements can be found on pages 17-18 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 19-54 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 55-68 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 55-58. 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 69-82 of this report.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

### 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 and deferred outflows of resources totaling \$29,485,923 exceeded liabilities and deferred inflows of resources totaling \$13,493,216, ultimately resulting in ending net position of \$15,992,707.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022
Current and Other Assets	\$ 12,681,039	\$ 10,678,974	\$ 1,271,667	\$ 1,534,952	\$ 13,952,706	\$ 12,213,926
Capital Assets	8,850,320	8,898,551	4,400,032	4,647,903	13,250,352	13,546,454
Total Assets	21,531,359	19,577,525	5,671,699	6,182,855	27,203,058	25,760,380
Deferred Outflows	2,211,307	2,340,165	71,558	37,071	2,282,865	2,377,236
Total Assets & Deferred Outflows	23,742,666	21,917,690	5,743,257	6,219,926	29,485,923	28,137,616
Other Liabilities	2,736,999	2,291,257	269,514	285,450	3,006,513	2,576,707
Long-Term Debt	5,365,815	4,541,301	552,181	706,887	5,917,996	5,248,188
Total Liabilities	8,102,814	6,832,558	821,695	992,337	8,924,509	7,824,895
Deferred Inflows	4,564,993	4,154,065	3,714	63,073	4,568,707	4,217,138
Total Liabilities & Deferred Inflows	12,667,807	10,986,623	825,409	1,055,410	13,493,216	12,042,033
Net Position						
Invested in Capital Assets	8,850,320	8,898,551	3,785,032	3,786,903	12,635,352	12,685,454
Restricted	2,273,779	1,840,368	76,695	93,478	2,350,474	1,933,846
Unrestricted (Deficit)	(49,240)	192,148	1,056,121	1,284,135	1,006,881	1,476,283
Total Net Position	\$ 11,074,859	\$ 10,931,067	\$ 4,917,848	\$ 5,164,516	\$ 15,992,707	\$ 16,095,583

A large portion of the Village's net position, \$12,635,352 or 79.0 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, \$2,350,474 or 14.7 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, 2023, the Village is reporting unrestricted net position of \$1,006,881 or 6.3 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, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,550,608	\$ 1,487,593	\$ 593,325	\$ 1,084,436	\$ 2,143,933	\$ 2,572,029
Operating Grants/Contrib.	475,628	371,829	-	-	475,628	371,829
Capital Grants/Contrib.	88,632	213,062	-	-	88,632	213,062
General Revenues						
Property Taxes	3,438,959	2,396,971	-	-	3,438,959	2,396,971
Road and Bridge Taxes	52,190	16,511	-	-	52,190	16,511
Sales Taxes	416,383	410,139	-	-	416,383	410,139
Income and Use Taxes	1,802,075	1,846,571	-	-	1,802,075	1,846,571
Replacement Taxes	5,215	6,424	-	-	5,215	6,424
Telecomm./Utility Taxes	511,927	592,162	-	-	511,927	592,162
Other General Revenues	423,357	1,401,443	44,555	11,451	467,912	1,412,894
Total Revenues	8,764,974	8,742,705	637,880	1,095,887	9,402,854	9,838,592
<b>Expenses</b>						
General Government	2,510,839	1,813,458	-	-	2,510,839	1,813,458
Building and Zoning	821,180	704,662	-	-	821,180	704,662
Public Safety	2,481,617	2,320,845	-	-	2,481,617	2,320,845
Public Works	1,306,641	854,720	-	-	1,306,641	854,720
Parks and Recreation	1,277,691	1,087,862	-	-	1,277,691	1,087,862
Interest on Long-Term Debt	-	9,809	-	-	-	9,809
Aquatics			651,868	660,796	651,868	660,796
Sewer			480,894	602,576	480,894	602,576
Total Expenses	8,397,968	6,791,356	1,132,762	1,263,372	9,530,730	8,054,728
Change in Net Position Before Transfers	367,006	1,951,349	(494,882)	(167,485)	(127,876)	1,783,864
Transfers	(248,214)	(252,890)	248,214	252,890	-	-
Change in Net Position	118,792	1,698,459	(246,668)	85,405	(127,876)	1,783,864
Net Position-Beginning	10,931,067	9,232,608	5,164,516	5,079,111	16,095,583	14,311,719
Change in Accounting Principle	-	-	-	-	-	-
Prior Period Adjustment	25,000	-	-	-	25,000	-
Net Position-Beginning	10,956,067	9,232,608	5,164,516	5,079,111	16,120,583	14,311,719
Net Position-Ending	\$ 11,074,859	\$ 10,931,067	\$ 4,917,848	\$ 5,164,516	\$ 15,992,707	\$ 16,095,583

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

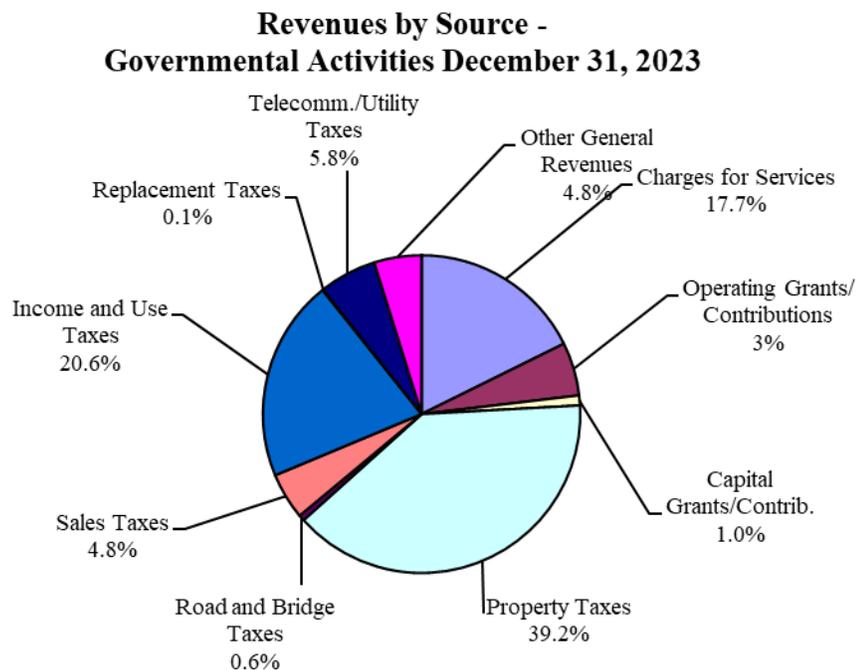
### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 1.1 percent (\$11,074,859 as of December 31, 2023 compared to \$10,931,067, as of December 31, 2022). 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 4.8 percent (\$4,917,848 as of December 31, 2023 compared to \$5,164,516 as of December 31, 2022). The aquatics net position decreased by \$79,080 as of December 31, 2023 due primarily to fact that the aquatic center operating revenues of \$322,955 were insufficient to cover the operating expenses of the facility, including depreciation expense of \$169,865 and the interest expense on the revenue bonds of \$2,214. The sewer fund net position decreased by \$167,588 due to the significant decrease in connection fees of \$270,370 from new home development.

### Governmental Activities

Revenues for governmental activities totaled \$8,764,974, while the cost of all governmental functions totaled \$8,397,968. This results in an increase in net position before transfers of \$367,006. For the year ended December 31, 2022, revenues of \$8,742,705 were more than expenses of \$6,791,356, resulting in an increase in net position before transfers and change in accounting principle of \$1,951,349. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on property taxes, telecommunications/utility taxes and income/use taxes to fund governmental activities.



# VILLAGE OF HAWTHORN WOODS, ILLINOIS

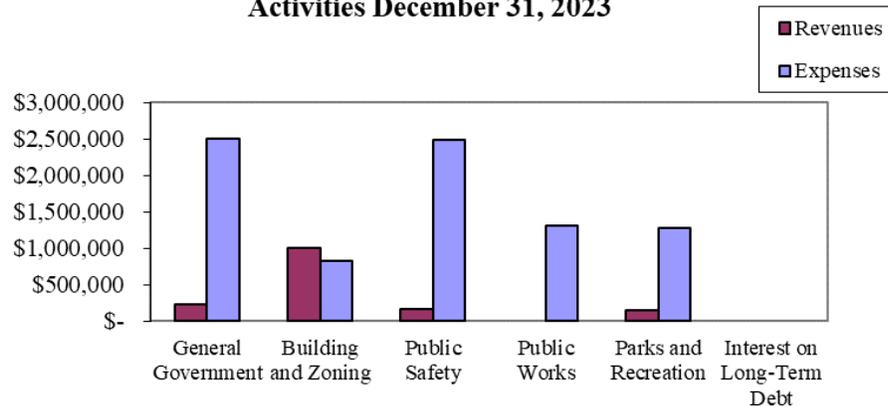
## Management's Discussion and Analysis December 31, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities – Continued

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

**Expenses and Program Revenues - Governmental Activities December 31, 2023**

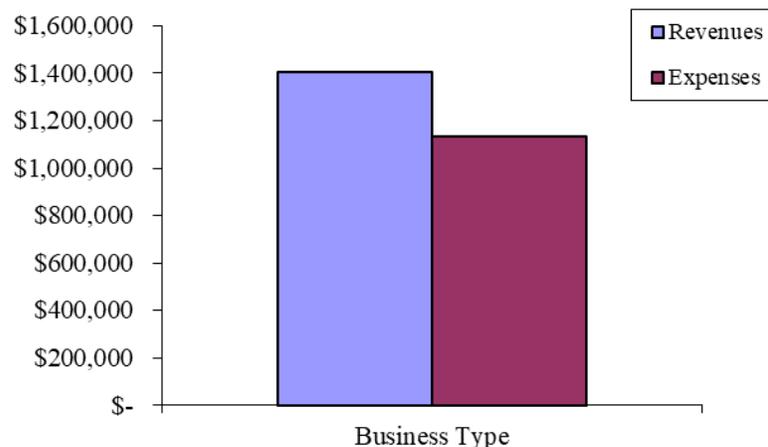


#### Business-Type Activities

Business-Type activities posted total revenues of \$637,880, while the cost of all business-type activities totaled \$1,132,762. This results in a decrease in net position before transfers of \$494,882. The primary reason for this decrease is attributable to the depreciation expense, sewer connection fees and operations of the aquatic center facility and the sewer system. For the year ended December 31, 2022, revenues of \$1,095,887 were less than expenses of \$1,263,372, resulting in a decrease in net position before transfers of \$167,485.

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

**Expenses and Program Revenues - Business-Type Activities December 31, 2023**



# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

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### 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 \$6,267,811, which is \$428,394 or 7.3 percent, higher than last year's total of \$5,839,417. Of the \$6,267,811 total, \$1,711,889, or 27.3 percent, of the fund balance constitutes nonspendable fund balance; \$2,273,779 or 36.3 percent of the fund balance is restricted for highways and streets, debt service, and special recreation; \$2,964,288, or 47.3 percent of the fund balance is assigned for cash reserves, capital improvements and the debt service; and (\$682,145) or -10.9 percent is unassigned.

The General Fund reported an increase in fund balance for the year ended December 31, 2023 of \$384,134, an increase of 8.1 percent. As of December 31, 2023, the Village achieved its fund balance goal of an ending fund balance at least 50% of the following year's expenditure budget; \$2,490,799 of the ending fund balance in the General Fund is assigned for cash reserves. The increase in the fund balance is primarily due to the taxes and intergovernmental revenues which were \$167,081 higher than budgeted.

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 a decrease in fund balance in the current year of \$447,538. Ending fund balance at December 31, 2023 was \$580,550. The decrease in the Motor Fuel Tax fund balance is primarily due to the increase in expenditures related to the Rebuild Illinois funds which were \$479,713 higher than budgeted.

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 a decrease in fund balance in the current year of \$42,303. License, permits and fees revenues were \$241,266 higher than budgeted. Expenditures were \$72,072 higher than budgeted. Ending fund balance at December 31, 2023 was \$300,071.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

#### Governmental Funds – Continued

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 \$330,407 due primarily to operating expenditures exceeding the revenues. Ending fund balance at December 31, 2023 was (\$840,674).

The Road Program Fund is used to fund the repair and maintenance of Village roads. On June 28, 2022, the Village residents voted to create a fund that is dedicated to the maintenance and replacement of Village roads. The Residents voted to increase the limiting rate under the Property Tax Extension Limitation law to the property tax rate by 0.1800000%. The Village received the first disbursement of the funds in 2023. Ending fund balance at December 31, 2023 was \$895,189.

#### 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 two major proprietary funds: the Aquatics Fund, Sewer Fund, and the Debt Service 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 \$79,080. The primary reason for the decrease is attributable to contractual services expense of \$139,958 and depreciation expense of \$169,865. Unrestricted net position in the Aquatics Fund totaled (\$849,663) at December 31, 2023.

Sewer Fund accounts for revenue from connection fees and the related expenditures for operations and maintenance of the sanitary sewer system. The decrease in net position in the Sewer Fund during the current fiscal year was \$167,588. The primary reason for the decrease is due the decrease in connections fees paid. Unrestricted net position in the Sewer Fund totaled \$1,905,784 at December 31, 2023.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

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### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$5,351,254 compared to budgeted revenues of \$5,022,995. One of the primary reasons is due to the increase in state income tax revenues, which were \$79,016 higher than the budget. The positive revenue variances were offset by negative variances in licenses and fees (\$1,337 lower than budgeted), intergovernmental revenue (\$88,689 higher than budgeted), and miscellaneous revenues (\$59,989 higher than budgeted), and taxes (\$78,392 higher than budgeted).

The General Fund actual expenditures for the year were \$211,698 lower than budgeted (\$4,478,906 actual compared to a final budget of \$4,690,604). Some significant differences between the actual expenditures and budgeted expenditures are highlighted below:

- The administration function reported actual expenditures of \$457,504 compared to budget of \$499,155, resulting in a positive variance of \$41,651. This positive variance was primarily due to the savings in contractual services.
- The legal function reported actual expenditures of \$236,371 compared to budget of \$246,566, resulting in a positive variance of \$10,195. This variance was primarily due to completion of ongoing litigation.
- The risk management function reported actual expenditures of \$438,503 compared to budgeted expenditures of \$543,143 resulting in a positive variance of \$104,640. This positive variance was primarily premium savings experienced in general liability, workers compensation and unemployment premiums.
- The police function reported actual expenditures of \$2,314,861, compared to budgeted expenditures of \$2,304,750, resulting in a negative variance of \$10,111. This negative variance was primarily due to the reorganization of the police department.
- The public works function reported actual expenditures of \$611,036 compared to budgeted expenditures of \$658,203 resulting in a positive variance of \$47,167. This positive variance was primarily due to the reduction in expenditures within the public works function.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

### 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, 2023 was \$13,250,352 (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 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022
Land	\$ 6,557,081	\$ 6,557,081	\$ 417,459	\$ 417,459	\$ 6,974,540	\$ 6,974,540
Construction In Progress					-	-
Sanitary Sewer System			1,609,576	1,676,642	1,609,576	1,676,642
Buildings and Improvements	1,342,356	1,624,713	2,298,299	2,459,349	3,640,655	4,084,062
Equipment and Vehicles	950,883	716,757	74,698	94,453	1,025,581	811,210
<b>Total</b>	<b>\$ 8,850,320</b>	<b>\$ 8,898,551</b>	<b>\$ 4,400,032</b>	<b>\$ 4,647,903</b>	<b>\$ 13,250,352</b>	<b>\$ 13,546,454</b>

Capital additions were as follows:

Governmental Activities	
Equipment and Vehicles	394,169
Total	<u>394,169</u>

Additional information on the Village's capital assets can be found in note 4 on pages 30-31 of this report.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2023

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the Village had total outstanding debt of \$615,000 as compared to \$861,000 the previous year. During 2023, 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 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2022
Revenue Bonds	\$ -	\$ -	\$ 615,000	\$ 861,000	\$ 615,000	\$ 861,000
Debt Certificates	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 615,000	\$ 861,000	\$ 615,000	\$ 861,000

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 \$44,625,876.

On December 8, 2021, the Village issued \$1,103,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2021 to refund \$1,360,000 of the Revenue Bonds (Aquatic Center Project), Series 2011. Through the refunding the Village reduced the maturity of the bonds from 2028 to 2026. The debt service was decreased by \$257,000 by utilizing the remaining balance of the Reserve Subfund that is no longer required as part of the Village ordinance. The entire amount of proceeds were used to currently refund the Revenue Bonds (Aquatic Center Project), Series 2011.

On December 30, 2021, the remaining principal of the Revenue Bonds (Aquatic Center Project), Series 2011 was paid off.

On November 12 2014, 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. The Village paid all bonds related the special service area number 1, 2, and 3 in December 2022.

Additional information on the Village's long-term debt can be found in Note 5 on pages 31 - 33 of this report.

## **VILLAGE OF HAWTHORN WOODS, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2023**

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#### **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, 2023 and December 31, 2024 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, 2023 and December 31, 2024.

#### **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 Pamela O. Newton, Chief Operating Officer, Village of Hawthorn Woods, 2 Lagoon Drive, Hawthorn Woods, Illinois 60047.

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2023

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,725,120	\$ 2,020,589	\$ 9,745,709
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	3,655,445	-	3,655,445
Utility tax	39,643	-	39,643
Cannabis taxes	1,143	-	1,143
Accounts	53,466	68,617	122,083
Court fines	14,228	-	14,228
Grants	35,800	-	35,800
Prepaid expenses	47,412	-	47,412
Due from other governments			
Sales tax	91,965	-	91,965
Sales tax sharing	10,561	-	10,561
Use tax	94,357	-	94,357
Franchise tax	36,663	-	36,663
Telecommunication tax	22,328	-	22,328
Motor fuel tax	35,369	-	35,369
Internal balances	817,539	(817,539)	-
Capital assets not being depreciated	6,557,081	417,459	6,974,540
Capital assets (net of accumulated depreciation)	2,293,239	3,982,573	6,275,812
<b>Total assets</b>	<b>21,531,359</b>	<b>5,671,699</b>	<b>27,203,058</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - Police Pension Plan	1,514,535	-	1,514,535
Pension items - IMRF	696,772	71,558	768,330
<b>Total deferred outflows of resources</b>	<b>2,211,307</b>	<b>71,558</b>	<b>2,282,865</b>
<b>Total assets and deferred outflows of resources</b>	<b>23,742,666</b>	<b>5,743,257</b>	<b>29,485,923</b>
<b>LIABILITIES</b>			
Accounts payable	143,383	17,668	161,051
Wages payable	77,550	1,998	79,548
Unearned revenue	10,083	-	10,083
Deposits payable	2,496,475	-	2,496,475
Long-term liabilities			
Due within one year	9,508	249,848	259,356
Due in more than one year	5,365,815	552,181	5,917,996
<b>Total liabilities</b>	<b>8,102,814</b>	<b>821,695</b>	<b>8,924,509</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - Police Pension Plan	878,889	-	878,889
Pension items - IMRF	36,167	3,714	39,881
Deferred revenue - property taxes	3,649,937	-	3,649,937
<b>Total deferred inflows of resources</b>	<b>4,564,993</b>	<b>3,714</b>	<b>4,568,707</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>12,667,807</b>	<b>825,409</b>	<b>13,493,216</b>

(This statement is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2023

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 8,850,320	\$ 3,785,032	\$ 12,635,352
Restricted for			
Highways and streets	1,475,739	-	1,475,739
Debt service	13,097	4,017	17,114
Repairs and maintenance	-	72,678	72,678
Special recreation	784,943	-	784,943
Unrestricted (deficit)	(49,240)	1,056,121	1,006,881
<b>TOTAL NET POSITION</b>	<b>\$ 11,074,859</b>	<b>\$ 4,917,848</b>	<b>\$ 15,992,707</b>

See accompanying notes to financial statements.

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,510,839	\$ 225,477	\$ -	\$ 88,632
Building and zoning	821,180	1,012,461	-	-
Public safety	2,481,617	159,366	8,689	-
Public works	1,306,641	-	466,939	-
Parks and recreation	1,277,691	153,304	-	-
Total governmental activities	8,397,968	1,550,608	475,628	88,632
Business-Type Activities				
Aquatics	651,868	322,955	-	-
Sewer	480,894	270,370	-	-
Total business-type activities	1,132,762	593,325	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 9,530,730</b>	<b>\$ 2,143,933</b>	<b>\$ 475,628</b>	<b>\$ 88,632</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (2,196,730)	\$ -	\$ (2,196,730)
	191,281	-	191,281
	(2,313,562)	-	(2,313,562)
	(839,702)	-	(839,702)
	(1,124,387)	-	(1,124,387)
	(6,283,100)	-	(6,283,100)
	-	(328,913)	(328,913)
	-	(210,524)	(210,524)
	-	(539,437)	(539,437)
	(6,283,100)	(539,437)	(6,822,537)
<b>General Revenues</b>			
Taxes			
Property	3,438,959	-	3,438,959
Road and bridge	52,190	-	52,190
Sales	416,383	-	416,383
Telecommunication and utility	511,927	-	511,927
Amusement	2,218	-	2,218
Cannabis	12,790	-	12,790
Food and beverage	23,679	-	23,679
Intergovernmental			
Income	1,447,378	-	1,447,378
Use	354,697	-	354,697
Replacement	5,215	-	5,215
Investment income	166,122	44,555	210,677
Miscellaneous	218,548	-	218,548
Transfers in (out)	(248,214)	248,214	-
Total	6,401,892	292,769	6,694,661
<b>CHANGE IN NET POSITION</b>	118,792	(246,668)	(127,876)
<b>NET POSITION, JANUARY 1</b>	10,931,067	5,164,516	16,095,583
Prior period adjustments	25,000	-	25,000
<b>NET POSITION, JANUARY 1, RESTATED</b>	10,956,067	5,164,516	16,120,583
<b>NET POSITION, DECEMBER 31</b>	\$ 11,074,859	\$ 4,917,848	\$ 15,992,707

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2023

	General	Special Revenue			Capital Projects	Nonmajor Governmental	Total Governmental Funds
		Motor Fuel Tax	Community Development	Parks and Recreation	Road Program		
<b>ASSETS</b>							
Cash and investments	\$ 3,527,014	\$ 555,821	\$ 2,539,777	\$ -	\$ 898,163	\$ 204,345	\$ 7,725,120
Receivables							
Property taxes	2,222,159	-	-	540,841	892,445	-	3,655,445
Utility taxes	39,643	-	-	-	-	-	39,643
Cannabis taxes	1,143	-	-	-	-	-	1,143
Accounts	37,525	-	7,881	8,060	-	-	53,466
Court fines	14,228	-	-	-	-	-	14,228
Grants	-	-	-	-	-	35,800	35,800
Prepaid items	28,081	-	575	18,756	-	-	47,412
Due from other governments							
Municipal sales tax	91,965	-	-	-	-	-	91,965
Sales tax sharing	10,561	-	-	-	-	-	10,561
Illinois use tax	94,357	-	-	-	-	-	94,357
Franchise tax	36,663	-	-	-	-	-	36,663
Telecommunication tax	22,328	-	-	-	-	-	22,328
Motor fuel tax	-	35,369	-	-	-	-	35,369
Advance to other funds	1,664,477	-	-	-	-	-	1,664,477
Due from other funds	104,192	-	-	-	-	-	104,192
<b>TOTAL ASSETS</b>	<b>\$ 7,894,336</b>	<b>\$ 591,190</b>	<b>\$ 2,548,233</b>	<b>\$ 567,657</b>	<b>\$ 1,790,608</b>	<b>\$ 240,145</b>	<b>\$ 13,632,169</b>

	Special Revenue				Capital	Nonmajor	Total
	General	Motor Fuel Tax	Community Development	Parks and Recreation	Projects Road Program		
<b>LIABILITES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 61,576	\$ 1,370	\$ 51,048	\$ 7,715	\$ 4,419	\$ 17,255	\$ 143,383
Wages payable	58,659	9,270	3,424	6,197	-	-	77,550
Deposits payable	409,577	-	2,083,198	3,700	-	-	2,496,475
Unearned revenue	-	-	6,300	3,783	-	-	10,083
Due to other funds	-	-	104,192	-	-	-	104,192
Advances from other funds	-	-	-	846,938	-	-	846,938
Total liabilities	529,812	10,640	2,248,162	868,333	4,419	17,255	3,678,621
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - grants	-	-	-	-	-	35,800	35,800
Unavailable revenue - property taxes	2,218,939	-	-	539,998	891,000	-	3,649,937
Total deferred inflows of resources	2,218,939	-	-	539,998	891,000	35,800	3,685,737
Total liabilities and deferred inflows of resources	2,748,751	10,640	2,248,162	1,408,331	895,419	53,055	7,364,358
<b>FUND BALANCES</b>							
Nonspendable							
Prepaid items	28,081	-	575	18,756	-	-	47,412
Advance to other funds	1,664,477	-	-	-	-	-	1,664,477
Restricted							
Highways and streets	-	580,550	-	-	895,189	-	1,475,739
Debt service	-	-	-	-	-	13,097	13,097
Special recreation	-	-	-	784,943	-	-	784,943
Committed							
Capital improvements	-	-	299,496	-	-	-	299,496
Assigned							
Cash reserves	2,490,799	-	-	-	-	-	2,490,799
Capital improvements	-	-	-	-	-	173,993	173,993
Unassigned (deficit)	962,228	-	-	(1,644,373)	-	-	(682,145)
Total fund balances (deficit)	5,145,585	580,550	300,071	(840,674)	895,189	187,090	6,267,811
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
	\$ 7,894,336	\$ 591,190	\$ 2,548,233	\$ 567,657	\$ 1,790,608	\$ 240,145	\$ 13,632,169

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, 2023

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 6,267,811
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	8,850,320
Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of activities	35,800
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,414,171)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	696,772
Deferred inflows of resources	(36,167)
The net pension liability for the Police Pension Plan is shown as a liability on the statement of net position	(3,628,995)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	1,514,535
Deferred inflows of resources	(878,889)
The OPEB liability is shown as a liability on the statement of net position	(315,289)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(16,868)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 11,074,859</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, 2023

	Special Revenue				Capital	Nonmajor	Total
	General	Motor Fuel Tax	Community Development	Parks and Recreation	Projects Road Program		
<b>REVENUES</b>							
Taxes	\$ 2,968,335	\$ -	\$ -	\$ 526,778	\$ 898,440	\$ -	\$ 4,393,553
Licenses, permits and fees	369,799	-	1,004,130	162,909	-	-	1,536,838
Intergovernmental	1,880,572	431,139	-	-	-	25,000	2,336,711
Donations	-	-	-	-	-	23,884	23,884
Investment income	62,340	27,915	46,215	9,189	15,545	4,918	166,122
Miscellaneous	70,208	-	129,070	4,156	5,000	63,632	272,066
Total revenues	5,351,254	459,054	1,179,415	703,032	918,985	117,434	8,729,174
<b>EXPENDITURES</b>							
Current							
General government	1,526,945	-	290,747	-	-	-	1,817,692
Building and zoning	26,064	-	733,414	-	-	-	759,478
Public safety	2,314,861	-	-	-	-	-	2,314,861
Public works	611,036	906,592	-	-	23,796	-	1,541,424
Parks and recreation	-	-	197,557	814,417	-	-	1,011,974
Capital outlay	-	-	-	129,022	-	503,115	632,137
Total expenditures	4,478,906	906,592	1,221,718	943,439	23,796	503,115	8,077,566
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	872,348	(447,538)	(42,303)	(240,407)	895,189	(385,681)	651,608
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	90,000	-	-	-	-	330,000	420,000
Transfers (out)	(578,214)	-	-	(90,000)	-	-	(668,214)
Total other financing sources (uses)	(488,214)	-	-	(90,000)	-	330,000	(248,214)
NET CHANGE IN FUND BALANCES	384,134	(447,538)	(42,303)	(330,407)	895,189	(55,681)	403,394
FUND BALANCES (DEFICIT), JANUARY 1	4,761,451	1,028,088	342,374	(510,267)	-	217,771	5,839,417
Prior period adjustment	-	-	-	-	-	25,000	25,000
FUND BALANCES (DEFICIT), JANUARY 1	4,761,451	1,028,088	342,374	(510,267)	-	242,771	5,864,417
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 5,145,585</b>	<b>\$ 580,550</b>	<b>\$ 300,071</b>	<b>\$ (840,674)</b>	<b>\$ 895,189</b>	<b>\$ 187,090</b>	<b>\$ 6,267,811</b>

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, 2023

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<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 403,394
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	394,169
Certain revenue recognition is different on the full accrual basis of accounting than on the modified accrual basis of accounting	35,800
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	(442,400)
The change in the OPEB liability is shown as an expense on the statement of activities	(48,134)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(40,666)
The change in the Police Pension Plan net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(183,583)
The change in compensated absences payable is shown as a increase in expense on the statement of activities	<u>212</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 118,792</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

December 31, 2023

	Aquatics	Sewer	Total Enterprise Funds
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 78,065	\$ 1,942,524	\$ 2,020,589
Accounts receivable	21,559	47,058	68,617
Total current assets	99,624	1,989,582	2,089,206
<b>NONCURRENT ASSETS</b>			
Capital assets			
Capital assets not being depreciated	417,459	-	417,459
Capital assets being depreciated, net	2,271,932	1,710,641	3,982,573
Net capital assets	2,689,391	1,710,641	4,400,032
Total noncurrent assets	2,689,391	1,710,641	4,400,032
Total assets	2,789,015	3,700,223	6,489,238
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	29,919	41,639	71,558
Total deferred outflows of resources	29,919	41,639	71,558
Total assets and deferred outflows of resources	2,818,934	3,741,862	6,560,796
<b>CURRENT LIABILITIES</b>			
Accounts payable	1,153	16,515	17,668
Wages payable	644	1,354	1,998
Other postemployment benefits	424	424	848
Revenue bonds payable	249,000	-	249,000
Total current liabilities	251,221	18,293	269,514
<b>NONCURRENT LIABILITIES</b>			
Advance from other funds	817,539	-	817,539
IMRF net pension liability	60,725	84,510	145,235
Other postemployment benefits	20,473	20,473	40,946
Net revenue bonds payable	366,000	-	366,000
Total noncurrent liabilities	1,264,737	104,983	1,369,720
Total liabilities	1,515,958	123,276	1,639,234
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	1,553	2,161	3,714
Total deferred inflows of resources	1,553	2,161	3,714
Total liabilities and deferred inflows of resources	1,517,511	125,437	1,642,948
<b>NET POSITION</b>			
Net investment in capital assets	2,074,391	1,710,641	3,785,032
Restricted for debt service	4,017	-	4,017
Restricted for repairs and maintenance	72,678	-	72,678
Unrestricted (deficit)	(849,663)	1,905,784	1,056,121
<b>TOTAL NET POSITION</b>	<b>\$ 1,301,423</b>	<b>\$ 3,616,425</b>	<b>\$ 4,917,848</b>

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, 2023

	<b>Aquatics</b>	<b>Sewer</b>	<b>Total Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for service	\$ 322,955	\$ 270,370	\$ 593,325
Total operating revenues	322,955	270,370	593,325
<b>OPERATING EXPENSES</b>			
Personnel services	277,069	168,050	445,119
Contractual services	139,958	220,156	360,114
Commodities	44,382	932	45,314
Maintenance	18,380	13,750	32,130
Depreciation	169,865	78,006	247,871
Total operating expenses	649,654	480,894	1,130,548
OPERATING INCOME (LOSS)	(326,699)	(210,524)	(537,223)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	1,619	42,936	44,555
Interest expense	(2,214)	-	(2,214)
Total non-operating revenues (expenses)	(595)	42,936	42,341
NET INCOME (LOSS) BEFORE TRANSFERS	(327,294)	(167,588)	(494,882)
<b>TRANSFERS</b>			
Transfers in	248,214	-	248,214
Total transfers	248,214	-	248,214
CHANGE IN NET POSITION	(79,080)	(167,588)	(246,668)
NET POSITION, JANUARY 1	1,380,503	3,784,013	5,164,516
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 1,301,423</b>	<b>\$ 3,616,425</b>	<b>\$ 4,917,848</b>

See accompanying notes to financial statements.

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	<u>Aquatics</u>	<u>Sewer</u>	<u>Total Enterprise Funds</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 304,780	\$ 267,867	\$ 572,647
Payments to suppliers	(204,009)	(247,083)	(451,092)
Payments to employees	(279,910)	(170,162)	(450,072)
Net cash from operating activities	<u>(179,139)</u>	<u>(149,378)</u>	<u>(328,517)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund loan receipts	162,107	-	162,107
Transfers in	248,214	-	248,214
Net cash from noncapital financing activities	<u>410,321</u>	<u>-</u>	<u>410,321</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on long-term debt	(246,000)	-	(246,000)
Interest paid	(2,214)	-	(2,214)
Net cash from capital and related financing activities	<u>(248,214)</u>	<u>-</u>	<u>(248,214)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	1,619	42,936	44,555
Net cash from investing activities	<u>1,619</u>	<u>42,936</u>	<u>44,555</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,413)	(106,442)	(121,855)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>93,478</u>	<u>2,048,966</u>	<u>2,142,444</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 78,065</u>	<u>\$ 1,942,524</u>	<u>\$ 2,020,589</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (326,699)	\$ (210,524)	\$ (537,223)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	169,865	78,006	247,871
Increase (decrease) in			
Pension related items	(4,686)	274	(4,412)
OPEB related items	2,430	2,430	4,860
Accounts receivable	(18,175)	(2,503)	(20,678)
Accounts payable	(1,289)	(12,245)	(13,534)
Wages payable	(585)	(4,816)	(5,401)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (179,139)</u>	<u>\$ (149,378)</u>	<u>\$ (328,517)</u>

See accompanying notes to financial statements.

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS**

December 31, 2023

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	<b>Police Pension</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and short-term investments	\$ 41,905	\$ 225,230
Investments held in the Illinois Police Officers' Pension Investment Fund	6,644,807	-
Prepaid expense	516	-
	<hr/>	
Total assets	6,687,228	225,230
	<hr/>	
<b>LIABILITIES</b>		
Accounts payable	1,770	-
	<hr/>	
Total liabilities	1,770	-
	<hr/>	
<b>NET POSITION</b>		
Restricted for debt service	-	225,230
Restricted for pensions	6,685,458	-
	<hr/>	
<b>TOTAL NET POSITION</b>	<b>\$ 6,685,458</b>	<b>\$ 225,230</b>
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See accompanying notes to financial statements.

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended December 31, 2023

	<u>Police Pension</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 342,726	\$ -
Employee	125,329	-
Property owner	-	110,588
	<u>468,055</u>	<u>110,588</u>
Investment income		
Net appreciation in fair value of investments	754,200	-
Interest	46,066	3,666
	<u>800,266</u>	<u>3,666</u>
Less investment expense	<u>(15,785)</u>	<u>-</u>
Net investment income	<u>784,481</u>	<u>3,666</u>
Total additions	<u>1,252,536</u>	<u>114,254</u>
<b>DEDUCTIONS</b>		
Benefits and refunds	492,431	-
Administration	26,558	-
Debt service		
Principal retirement	-	10,000
Interest and fiscal charges	-	36,369
	<u>518,989</u>	<u>46,369</u>
CHANGE IN NET POSITION	733,547	67,885
<b>NET POSITION</b>		
January 1	<u>5,951,911</u>	<u>157,345</u>
December 31	<u>\$ 6,685,458</u>	<u>\$ 225,230</u>

See accompanying notes to financial statements.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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### 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 GAAP, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary component unit reported as a Pension Trust Fund. The Police Pension Fund functions for the benefit of the Village's sworn police employees and is governed by a five-member pension board. Two members appointed by the Mayor, the Village Treasurer and two elected police officers constitute the pension board. The Village and the Police Pension Fund participants are obligated to fund all the Police Pension Fund costs based upon actuarial valuations, including administrative costs. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the Police Pension Fund is fiscally dependent on the Village. Separate financial statements are not available for 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted, committed 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.

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). The Village has no internal service funds.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). 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 custodial funds to account for funds received and restricted 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 are classified as internal balances on the statement of net position. 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

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 accounted for in another fund.

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 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 Road Program Fund, a capital projects fund, is used to account for revenues received for and expenditures for road maintenance and replacement.

The Village reports the following nonmajor governmental funds:

The Park Donation Fund, a capital projects fund, is used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks.

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Village reports the following major proprietary funds:

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 Sewer Fund is used to account for revenue from connection fees and the related expenditures for the operations and maintenance of the sanitary sewer system.

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 custodial 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 proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, 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, license and permit revenue and miscellaneous revenues are considered to be measurable and available only when cash is received by the Village.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 those related to 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 unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the government before it has a legal claim to them such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability or deferred inflow of resources for unearned and unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

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

f. Investments

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

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Capital Assets

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

Asset Class	Capitalization Threshold
Buildings and improvements	\$ 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 acquisition 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:

	Years
Buildings	45
Sewer infrastructure	35
Improvements	20
Equipment	10
Vehicles - public safety	3
Vehicles - public works	10
Furniture	7
Office equipment	5

i. Compensated Absences

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 six months of General Fund expenditures (not including transfers to fund capital projects). Unassigned fund balance is transferred to these reserves. These reserves are reported in the General Fund as assigned fund balance for cash reserves.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Net Position/Fund Balance (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the statement of net 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 future period(s) and so it will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period these amounts become available.

m. Interfund Transactions

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

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

n. Interfund Receivables/Payables

Activities 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."

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Interfund Receivables/Payables (Continued)

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.

o. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

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

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, The Illinois Funds and the Illinois Metropolitan Investment Fund.

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).

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village (Continued)

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 102% of the uninsured bank balance, with collateral held in the Village's name by an independent third party.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
State and local obligations (Village Bonds)	\$ 615,000	\$ -	\$ 615,000	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 615,000</b>	<b>\$ -</b>	<b>\$ 615,000</b>	<b>\$ -</b>	<b>\$ -</b>

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 seven years unless matched to a specific cash flow.

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 in the Village's name by a third party custodian approved by the Chief Financial Officer and evidenced by safekeeping receipts.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village (Continued)

Investments (Continued)

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 the Village's portfolio shall be diversified in order to limit the investment holdings of a specific issuer or business sector to avoid over concentration in any one institution or area excluding investments in U.S. Treasury securities and authorized investment pools.

**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 2023 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at December 31, 2023, an allowance of 1% 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 2023 taxes are intended to finance the 2024 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue.

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

**4. CAPITAL ASSETS**

Capital asset activity for the Village for the year ended December 31, 2023 was as follows:

	January 1	Increases	Decreases	December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 6,557,081	\$ -	\$ -	\$ 6,557,081
Total capital assets not being depreciated	6,557,081	-	-	6,557,081
Capital assets being depreciated				
Buildings and improvements	6,153,376	-	-	6,153,376
Equipment and vehicles	3,464,510	394,169	-	3,858,679
Total capital assets being depreciated	9,617,886	394,169	-	10,012,055
Less accumulated depreciation for				
Buildings and improvements	4,528,663	282,357	-	4,811,020
Equipment and vehicles	2,747,753	160,043	-	2,907,796
Total accumulated depreciation	7,276,416	442,400	-	7,718,816
Total capital assets being depreciated, net	2,341,470	(48,231)	-	2,293,239
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 8,898,551	\$ (48,231)	\$ -	\$ 8,850,320
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 417,459	\$ -	\$ -	\$ 417,459
Total capital assets not being depreciated	417,459	-	-	417,459
Capital assets being depreciated				
Sanitary sewer system	2,347,301	-	-	2,347,301
Buildings and improvements	4,789,715	-	-	4,789,715
Equipment	290,443	-	-	290,443
Total capital assets being depreciated	7,427,459	-	-	7,427,459
Less accumulated depreciation for				
Sanitary sewer system	670,659	67,066	-	737,725
Buildings and improvements	2,330,366	161,050	-	2,491,416
Equipment	195,990	19,755	-	215,745
Total accumulated depreciation	3,197,015	247,871	-	3,444,886
Total capital assets being depreciated, net	4,230,444	(247,871)	-	3,982,573
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 4,647,903	\$ (247,871)	\$ -	\$ 4,400,032

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

**4. CAPITAL ASSETS (Continued)**

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

<b>DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 45,065
Building and zoning	46,902
Public safety	37,226
Public works	46,902
Parks and recreation	<u>266,305</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 442,400</u></b>

**5. LONG-TERM DEBT**

a. Special Service Area Bonds

As of December 31, 2023, the following Special Service Area (SSA) bonds were outstanding: SSA #4 - 2006 Bonds.

The SSA bonds outstanding as of December 31, 2023, totaled \$1,290,000. These bonds are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the special service areas. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

b. Changes in Long-Term Liabilities - Governmental Activities

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

	Fund Debt Retired By	Balance January 1	Additions	Reductions	Balance December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
Compensated absences	General	\$ 17,080	\$ 84,458	\$ 84,670	\$ 16,868	\$ 3,374
Net pension liability - police pension	General	3,780,321	-	151,326	3,628,995	-
Net pension liability - IMRF	General	486,295	927,876	-	1,414,171	-
Other postemployment benefit liability	General	<u>267,155</u>	<u>48,134</u>	<u>-</u>	<u>315,289</u>	<u>6,134</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 4,550,851</u></b>	<b><u>\$ 1,060,468</u></b>	<b><u>\$ 235,996</u></b>	<b><u>\$ 5,375,323</u></b>	<b><u>\$ 9,508</u></b>

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

**5. LONG-TERM DEBT (Continued)**

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

During the year ended December 31, 2023, 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
<b>BUSINESS-TYPE ACTIVITIES</b>						
Revenue bonds	Aquatics	\$ 861,000	\$ -	\$ 246,000	\$ 615,000	\$ 249,000
Net pension liability - IMRF	Aquatics/ Sewer	55,801	89,434	-	145,235	-
Other postemployment benefit liability	Aquatics/ Sewer	36,934	4,860	-	41,794	848
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 953,735</b>	<b>\$ 94,294</b>	<b>\$ 246,000</b>	<b>\$ 802,029</b>	<b>\$ 249,848</b>

d. 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.

On December 8, 2021, the Village issued \$1,103,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2021 to refund \$1,360,000 of the Revenue Bonds (Aquatic Center Project), Series 2011. Through the refunding the Village reduced the maturity of the bonds from 2028 to 2026. The debt service was decreased by \$257,000 by utilizing the remaining balance of the Reserve Subfund that is no longer required as part of the Village ordinance. The entire amount of proceeds were used to currently refund the Revenue Bonds (Aquatic Center Project), Series 2011. On December 30, 2021, the remaining principal of the Revenue Bonds (Aquatic Center Project), Series 2011 was paid off. As a result of the refunding, the Village achieved cash flow savings of \$230,210 and an economic gain on the refunding of \$229,245.

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

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**5. LONG-TERM DEBT (Continued)**

d. Revenue Bonds (Continued)

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 donation fees received by the Village. This fund had a balance of \$87,221 at December 31, 2023. 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 \$72,678 at December 31, 2023. A Bond and Interest Subfund is required to fund principal and interest payments. Each month a fractional amount of the principal and interest coming due on the next payment date is to be deposited to this subfund. At December 31, 2023, this subfund had a balance of \$4,017.

Debt service to maturity on these bonds is as follows:

Year Ending December 31,	Revenue Bonds		
	Principal	Interest	Total
2024	\$ 249,000	\$ 5,535	\$ 254,535
2025	251,000	3,294	254,294
2026	115,000	1,035	116,035
<b>TOTAL</b>	<b>\$ 615,000</b>	<b>\$ 9,864</b>	<b>\$ 624,864</b>

Pledged Revenue

The Village has pledged future aquatic center revenue, park donation fees and utility taxes (pledged revenues) to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2021. The bonds are payable from the pledged revenues and are payable through 2026. The total principal and interest remaining to be paid on the bonds is \$624,864. Total net revenues were \$756,141. There were required principal and interest payments of \$246,000 and \$7,749, respectively, during the fiscal year.

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

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**6. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

Due from/to other funds at December 31, 2023 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 104,192	\$ -
Community Development	-	104,192
	<hr/>	<hr/>
TOTAL	<u>\$ 104,192</u>	<u>\$ 104,192</u>

The balances reflected in most significant due from/to other funds above are generally related to routine payroll and vendor payments involving charges to multiple village funds and for eliminating cash deficits. All will be repaid within one year.

b. Interfund Transfers

Interfund transfers during the year ended December 31, 2023, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 90,000	\$ 578,214
Parks and Recreation	-	90,000
Capital Improvements	330,000	-
Aquatics Center	248,214	-
	<hr/>	<hr/>
TOTAL	<u>\$ 668,214</u>	<u>\$ 668,214</u>

Significant transfers between funds for the year ended December 31, 2023 consist of the following:

- \$90,000 transferred from the Parks and Recreation Fund to the General Fund as approved in the Village's 2023 budget.
- \$248,214 transferred from the General Fund to the Aquatics Center Fund for debt service.
- \$330,000 transferred from the General Fund transferred to the Capital Improvements Fund for capital purposes.

None of the transfers will be repaid.

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

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**6. INDIVIDUAL FUND DISCLOSURES (Continued)**

c. Advances

Advance due from/to other funds at December 31, 2023 consist of the following:

	Advance To	Advance From
General	\$ 1,664,477	\$ -
Parks and Recreation	-	846,938
Aquatics Center	-	817,539
<b>TOTAL</b>	<b>\$ 1,664,477</b>	<b>\$ 1,664,477</b>

The balances loaned from the General Fund to the Aquatics Center Fund are related to a five-year financial plan the for the Aquatic Center. Repayment options will be determined at the end of the five-year plan.

The balances loaned from the General Fund to the Parks and Recreation Fund will be evaluated as part of the annual budget process and will not be repaid within one year.

d. Deficit Fund Balances

The following funds reported deficit fund balances at December 31, 2023:

Fund	Total
Parks and Recreation	\$ 840,674

**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.

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

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**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, 2023.

**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](http://www.imrf.org).

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF	Police Pension	Total
Net pension liability	\$ 1,559,406	\$ 3,628,995	\$ 5,188,401
Deferred outflows of resources	768,330	1,514,535	2,282,865
Deferred inflows of resources	39,881	878,889	918,770
Pension expense	306,069	526,309	832,378

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

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.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At December 31, 2022 (most recent available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	27
Active employees	<u>24</u>
<b>TOTAL</b>	<u><u>63</u></u>

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

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 are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% 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 the year ended December 31, 2023 was 10.81% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2022 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the actuarial methods and assumptions on the next page.

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Asset valuation method	Fair value of assets
Assumptions	
Price inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Cost of living adjustments	2.75%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 6,422,673	\$ 5,880,577	\$ 542,096
Changes for the period			
Service cost	212,137	-	212,137
Interest	470,282	-	470,282
Difference between expected and actual experience	70,306	-	70,306
Changes in assumptions	-	-	-
Employer contributions	-	252,317	(252,317)
Employee contributions	-	106,215	(106,215)
Net investment income	-	(595,303)	595,303
Benefit payments and refunds	(84,185)	(84,185)	-
Other (net transfer)	-	(27,814)	27,814
Net changes	668,540	(348,770)	1,017,310
BALANCES AT DECEMBER 31, 2022	\$ 7,091,213	\$ 5,531,807	\$ 1,559,406

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2023, the Village recognized pension expense of \$306,069.

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,124	\$ 30,653
Assumption changes	-	9,228
Net difference between projected and actual earnings on pension plan investments	416,042	-
Employer contributions after measurement date	273,164	-
<b>TOTAL</b>	<b>\$ 768,330</b>	<b>\$ 39,881</b>

\$273,164 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2024	\$ 10,562
2025	108,776
2026	129,829
2027	206,118
2028	-
<b>TOTAL</b>	<b>\$ 455,285</b>

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (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 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,501,798	\$ 1,559,406	\$ 785,278

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 of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2023, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>12</u>
 TOTAL	 <u><u>19</u></u>

*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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

*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. However, the Village is funding 100% of the past service costs by 2040. For the year ended December 31, 2023, the Village's contribution was 28.54% of covered payroll.

*Illinois Police Officers' Pension Investment Fund*

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

*Deposits with Financial Institutions*

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

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Deposits with Financial Institutions (Continued)*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

*Investments*

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at [www.ipopif.org](http://www.ipopif.org).

*Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2023.

*Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$6,644,807 at December 31, 2023. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy*

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

*Investment Rate of Return*

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50%. The fund's funding policy is to have the 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)

*Changes in Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 9,732,232	\$ 5,951,911	\$ 3,780,321
Changes for the period			
Service cost	303,358	-	303,358
Interest	616,603	-	616,603
Difference between expected and actual experience	154,691	-	154,691
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	342,726	(342,726)
Employee contributions	-	125,329	(125,329)
Contributions - other	-	-	-
Net investment income	-	784,481	(784,481)
Benefit payments and refunds	(492,431)	(492,431)	-
Administrative expense	-	(26,558)	26,558
Net changes	582,221	733,547	(151,326)
BALANCES AT DECEMBER 31, 2023	\$ 10,314,453	\$ 6,685,458	\$ 3,628,995

The funded status of the plan as of December 31, 2023 is 78.01%.

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

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**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, 2023, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	3.75% to 13.75%
Interest rate	6.50%
Postretirement benefit increases	3.00%
Asset valuation method	Fair value of assets

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

For the year ended December 31, 2023, the Village recognized police pension expense of \$526,309. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 890,711	\$ 862,613
Changes in assumptions	158,838	16,276
Net difference between projected and actual earnings on pension plan investments	464,986	-
<b>TOTAL</b>	<b>\$ 1,514,535</b>	<b>\$ 878,889</b>

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

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

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

<u>Year Ending</u> <u>December 31,</u>	
2024	\$ 165,516
2025	226,352
2026	205,320
2027	(89,287)
2028	5,454
Thereafter	<u>122,291</u>
 TOTAL	 <u><u>\$ 635,646</u></u>

*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 6.50% 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 (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 5,331,512	\$ 3,628,995	\$ 2,263,038

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

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**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 and business-type activities and enterprise funds.

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. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At December 31, 2023 (most recent data available), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>37</u>
<b>TOTAL</b>	<u><b>37</b></u>

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

d. Total OPEB Liability

The Village’s total OPEB liability of \$357,083 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023, as determined by an actuarial valuation as of January 1, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	2.75%
Discount rate	3.26%
Healthcare cost trend rates	7.00% to 7.70% Initial 5.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond G.O. Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA.

IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study dated December 14, 2020; Age 83 for Male, Age 87 for Females.

Police Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates.

Spousal Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors.

The actuarial assumptions used in the January 1, 2023 valuation assume 30% IMRF and police coverage election, with 50% electing spousal coverage.



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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.70% as well as what the Village’s total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 6.70%) or 1 percentage point higher (6.00% to 8.70%) than the current rate:

	1% Decrease (4.00% to 6.70%)	Current Healthcare Rate (5.00% to 7.70%)	1% Increase (6.00% to 8.70%)
Total OPEB liability	\$ 318,618	\$ 357,083	\$ 402,465

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

For the year ended December 31, 2023, the Village recognized OPEB expense (income) of \$56,038. Under GASB Statement No. 75, changes to the OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB under the alternative measurement method. These changes will be immediately recognized through OPEB expense.

**11. TAX ABATEMENTS**

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

For the fiscal year ended December 31, 2023, the Village rebated 100% of the Village portion of the property tax levy to all homeowners who owned and resided in the Hawthorn Trails (formerly Kildeer Estates) subdivision as of May 1, 2010. This rebate is available only to these original homeowners as long as they reside in their home, according to the terms of the annexation agreement.

The agreement was entered into pursuant to the Village’s authority under the Illinois Municipal Code, 65 ILCS 5/1-1. The abatement for the year ended December 31, 2023, amounted to \$11,192. There are no recapture provisions as eligibility for property tax abatement is established before disbursement.

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

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**12. PRIOR PERIOD ADJUSTMENTS**

For the audit period ended December 31, 2023, the following prior period adjustments were made:

	Governmental Activities	Nonmajor Governmental Funds
NET POSITION/FUND BALANCE - JANUARY 1, 2023 (AS REPORTED)	\$ 10,931,067	\$ 217,771
To recognize grant revenue in proper fiscal year.	25,000	25,000
Subtotal	25,000	25,000
NET POSITION/FUND BALANCE - JANUARY 1, 2023 (AS RESTATED)	\$ 10,956,067	\$ 242,771

**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, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 2,889,943	\$ 2,889,943	\$ 2,968,335	\$ 78,392
Licenses and fees	330,700	330,700	369,799	39,099
Intergovernmental	1,791,883	1,791,883	1,880,572	88,689
Investment income	250	250	62,340	62,090
Miscellaneous	10,219	10,219	70,208	59,989
<b>Total revenues</b>	<b>5,022,995</b>	<b>5,022,995</b>	<b>5,351,254</b>	<b>328,259</b>
<b>EXPENDITURES</b>				
Current				
General government	1,695,347	1,695,347	1,526,945	(168,402)
Building and zoning	32,304	32,304	26,064	(6,240)
Public safety	2,309,345	2,304,750	2,314,861	10,111
Public works	658,203	658,203	611,036	(47,167)
<b>Total expenditures</b>	<b>4,695,199</b>	<b>4,690,604</b>	<b>4,478,906</b>	<b>(211,698)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>327,796</b>	<b>332,391</b>	<b>872,348</b>	<b>539,957</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	90,000	90,000	90,000	-
Transfers (out)	(273,815)	(278,410)	(578,214)	(299,804)
<b>Total other financing sources (uses)</b>	<b>(183,815)</b>	<b>(188,410)</b>	<b>(488,214)</b>	<b>(299,804)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 143,981</b>	<b>\$ 143,981</b>	<b>384,134</b>	<b>\$ 240,153</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>4,761,451</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 5,145,585</b>	

(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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 391,478	\$ 431,139	\$ 39,661
Investment income	300	27,915	27,615
	<hr/>	<hr/>	<hr/>
Total revenues	391,778	459,054	67,276
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Public works			
Personnel services	247,779	224,289	(23,490)
Contractual services	89,100	597,906	508,806
Commodities	90,000	84,397	(5,603)
	<hr/>	<hr/>	<hr/>
Total expenditures	426,879	906,592	479,713
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35,101)	(447,538)	(412,437)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (35,101)</u>	<u>(447,538)</u>	<u>\$ (412,437)</u>
		<hr/>	
FUND BALANCE, JANUARY 1		1,028,088	
		<hr/>	
FUND BALANCE, DECEMBER 31		<u>\$ 580,550</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, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Licenses, permits and fees	\$ 762,864	\$ 762,864	\$ 1,004,130	\$ 241,266
Investment income	300	300	46,215	45,915
Miscellaneous	100,233	100,233	129,070	28,837
Total revenues	<u>863,397</u>	<u>863,397</u>	<u>1,179,415</u>	<u>316,018</u>
<b>EXPENDITURES</b>				
General government				
Economic development				
Personnel services	164,960	164,960	174,759	9,799
Contractual services	116,100	116,100	115,988	(112)
Building and zoning				
Personnel services	453,891	453,891	423,719	(30,172)
Contractual services	208,600	207,200	305,102	97,902
Commodities	2,800	4,200	4,593	393
Parks and recreation				
Community events				
Personnel services	124,925	124,925	122,012	(2,913)
Contractual services	78,370	78,370	75,545	(2,825)
Total expenditures	<u>1,149,646</u>	<u>1,149,646</u>	<u>1,221,718</u>	<u>72,072</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (286,249)</u>	<u>\$ (286,249)</u>	<u>(42,303)</u>	<u>\$ 243,946</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>342,374</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 300,071</u>	

(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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 529,693	\$ 526,778	\$ (2,915)
Licenses, permits and fees	247,150	162,909	(84,241)
Investment income	10	9,189	9,179
Miscellaneous	-	4,156	4,156
Total revenues	776,853	703,032	(73,821)
<b>EXPENDITURES</b>			
Parks and recreation			
Administration			
Personnel services	158,166	152,348	(5,818)
Contractual services	67,117	66,560	(557)
Commodities	2,300	1,895	(405)
Recreation			
Commodities	27,775	42,133	14,358
Park maintenance			
Personnel services	298,610	314,484	15,874
Contractual services	3,200	3,299	99
Commodities	153,107	175,783	22,676
Capital outlay	3,500	1,648	(1,852)
Special recreation			
Contractual services	56,267	56,267	-
Capital outlay	128,000	129,022	1,022
Total expenditures	898,042	943,439	45,397
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(121,189)	(240,407)	(119,218)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	(90,000)	-
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (211,189)</u>	(330,407)	<u>\$ (119,218)</u>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>			
		<u>(510,267)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			
		<u>\$ (840,674)</u>	

(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

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

Last Nine Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 197,892	\$ 201,184	\$ 213,615	\$ 210,345	\$ 203,438	\$ 231,759	\$ 263,890	\$ 252,317	\$ 275,988
Contributions in relation to the actuarially determined contribution	197,892	201,184	213,615	210,345	203,438	231,759	263,890	252,317	275,988
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>								
Covered payroll	\$ 1,668,168	\$ 1,757,066	\$ 1,841,511	\$ 1,865,433	\$ 1,913,809	\$ 1,977,471	\$ 2,102,713	\$ 2,360,312	\$ 2,553,080
Contributions as a percentage of covered payroll	11.86%	11.45%	11.60%	11.28%	10.63%	11.72%	12.55%	10.69%	10.81%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation 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 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 234,261	\$ 280,551	\$ 280,223	\$ 308,036	\$ 339,582	\$ 335,081	\$ 349,206	\$ 411,152	\$ 393,151	\$ 342,726
Contributions in relation to the actuarially determined contributions	234,261	280,551	280,223	308,036	339,582	335,081	349,206	411,152	393,151	342,726
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 791,889	\$ 979,799	\$ 1,043,104	\$ 1,072,395	\$ 1,110,705	\$ 1,183,495	\$ 1,317,437	\$ 1,438,959	\$ 1,333,530	\$ 1,200,676
Contributions as a percentage of covered payroll	29.58%	28.63%	26.86%	28.72%	30.57%	28.31%	26.51%	28.57%	29.48%	28.54%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of the beginning of the prior fiscal year. Additional information as of the latest actuarial valuation is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay; the amortization period was 19 years; the asset valuation method was five-year smoothing of asset gains and losses and the significant actuarial assumptions were an investment rate of return of 6.50% annually; inflation at 2.25% annually; and projected salary increases of 3.75% to 13.75% annually.

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 156,550	\$ 164,627	\$ 204,579	\$ 196,852	\$ 192,568	\$ 206,649	\$ 207,348	\$ 198,189	\$ 212,137
Interest	186,930	220,700	262,493	283,287	314,019	351,874	401,343	427,080	470,282
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	14,769	201,645	(137,604)	106,937	56,081	198,405	(128,714)	50,150	70,306
Changes of assumptions	135,102	10,211	(27,283)	(123,595)	163,167	-	(38,754)	-	-
Benefit payments, including refunds of member contributions	(30,809)	(53,152)	(43,319)	(45,817)	(57,332)	(75,394)	(74,490)	(88,818)	(84,185)
Net change in total pension liability	462,542	544,031	258,866	417,664	668,503	681,534	366,733	586,601	668,540
Total pension liability - beginning	2,436,199	2,898,741	3,442,772	3,701,638	4,119,302	4,787,805	5,469,339	5,836,072	6,422,673
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 2,898,741</b>	<b>\$ 3,442,772</b>	<b>\$ 3,701,638</b>	<b>\$ 4,119,302</b>	<b>\$ 4,787,805</b>	<b>\$ 5,469,339</b>	<b>\$ 5,836,072</b>	<b>\$ 6,422,673</b>	<b>\$ 7,091,213</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 152,332	\$ 197,892	\$ 201,184	\$ 213,615	\$ 210,345	\$ 203,438	\$ 231,759	\$ 263,890	\$ 252,317
Contributions - member	61,980	76,967	79,068	82,868	84,439	86,122	88,986	94,622	106,215
Net investment income	117,204	11,189	152,663	411,980	(118,010)	567,136	555,432	772,264	(595,303)
Benefit payments, including refunds of member contributions	(30,809)	(53,152)	(43,319)	(45,817)	(57,332)	(75,394)	(74,490)	(88,818)	(84,185)
Other (net transfer)	6,886	(207,005)	(6,617)	(32,187)	25,109	8,442	783	(74,687)	(27,814)
Net change in plan fiduciary net position	307,593	25,891	382,979	630,459	144,551	789,744	802,470	967,271	(348,770)
Plan net position - beginning	1,829,619	2,137,212	2,163,103	2,546,082	3,176,541	3,321,092	4,110,836	4,913,306	5,880,577
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 2,137,212</b>	<b>\$ 2,163,103</b>	<b>\$ 2,546,082</b>	<b>\$ 3,176,541</b>	<b>\$ 3,321,092</b>	<b>\$ 4,110,836</b>	<b>\$ 4,913,306</b>	<b>\$ 5,880,577</b>	<b>\$ 5,531,807</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 761,529</b>	<b>\$ 1,279,669</b>	<b>\$ 1,155,556</b>	<b>\$ 942,761</b>	<b>\$ 1,466,713</b>	<b>\$ 1,358,503</b>	<b>\$ 922,766</b>	<b>\$ 542,096</b>	<b>\$ 1,559,406</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Plan fiduciary net position as a percentage of the total pension liability	73.73%	62.83%	68.78%	77.11%	69.37%	75.16%	84.19%	91.56%	78.01%
Covered payroll	\$ 1,404,051	\$ 1,668,168	\$ 1,757,066	\$ 1,841,511	\$ 1,865,433	\$ 1,913,809	\$ 1,977,471	\$ 2,102,713	\$ 2,360,312
Employer's net pension liability as a percentage of covered payroll	54.24%	76.71%	65.77%	51.19%	78.63%	70.98%	46.66%	25.78%	66.07%

Notes to Required Supplementary Information

Measurement Date December 31, 2022 - There was no changes in assumptions since the prior measurement date.

Measurement Date December 31, 2020 - There was a change in assumption related to the price inflation, salary increases, retirement age and mortality since the prior measurement date.

Measurement Date December 31, 2018 - There was a change in assumption related to the discount rate since the prior measurement date.

Measurement Date December 31, 2017 - There was a change in assumption related to the salary rates, inflation rates and mortality since the prior measurement date.

Measurement Date December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.45%. Additionally, there was a change in assumptions from the prior year to reflect revised expectations with respect to mortality rates.

Measurement Date December 31, 2015 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015, is 7.45%. The discount rate used in the prior actuarial valuation, dated December 31, 2014, was 7.47%.

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

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 269,069	\$ 248,158	\$ 269,141	\$ 252,082	\$ 268,467	\$ 280,277	\$ 331,130	\$ 330,862	\$ 336,760	\$ 303,358
Interest	256,565	313,030	363,963	384,926	426,091	465,078	500,337	504,370	539,242	616,603
Changes of benefit terms	-	-	-	-	-	181,098	-	-	(14,981)	-
Differences between expected and actual experience	557,497	576,324	(634,081)	121,908	50,158	35,599	(577,627)	(447,049)	716,084	154,691
Changes of assumptions	292,739	(96,799)	416,237	-	-	30,066	-	-	-	-
Benefit payments, including refunds of member contributions	(93,198)	(78,871)	(78,632)	(106,880)	(144,325)	(145,510)	(146,729)	(152,160)	(262,423)	(492,431)
Net change in total pension liability	1,282,672	961,842	336,628	652,036	600,391	846,608	107,111	236,023	1,314,682	582,221
Total pension liability - beginning	3,394,239	4,676,911	5,638,753	5,975,381	6,627,417	7,227,808	8,074,416	8,181,527	8,417,550	9,732,232
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 4,676,911</b>	<b>\$ 5,638,753</b>	<b>\$ 5,975,381</b>	<b>\$ 6,627,417</b>	<b>\$ 7,227,808</b>	<b>\$ 8,074,416</b>	<b>\$ 8,181,527</b>	<b>\$ 8,417,550</b>	<b>\$ 9,732,232</b>	<b>\$ 10,314,453</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 234,261	\$ 280,551	\$ 280,223	\$ 308,036	\$ 339,582	\$ 335,081	\$ 349,206	\$ 411,152	\$ 393,151	\$ 342,726
Contributions - member	79,573	106,136	106,897	112,506	115,071	117,285	122,802	127,433	117,981	125,329
Contributions - other	-	-	-	-	-	10,000	10,500	17,440	-	-
Net investment income	37,981	10,741	146,635	338,415	(125,626)	644,794	674,354	473,157	(1,026,427)	784,481
Benefit payments, including refunds of member contributions	(93,198)	(78,871)	(78,632)	(106,880)	(144,325)	(145,510)	(146,729)	(152,160)	(262,423)	(492,431)
Administrative expense	(13,259)	(16,308)	(13,404)	(23,101)	(22,790)	(28,752)	(23,953)	(25,083)	(34,269)	(26,558)
Net change in plan fiduciary net position	245,358	302,249	441,719	628,976	161,912	932,898	986,180	851,939	(811,987)	733,547
Plan net position - beginning	2,212,667	2,458,025	2,760,274	3,201,993	3,830,969	3,992,881	4,925,779	5,911,959	6,763,898	5,951,911
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 2,458,025</b>	<b>\$ 2,760,274</b>	<b>\$ 3,201,993</b>	<b>\$ 3,830,969</b>	<b>\$ 3,992,881</b>	<b>\$ 4,925,779</b>	<b>\$ 5,911,959</b>	<b>\$ 6,763,898</b>	<b>\$ 5,951,911</b>	<b>\$ 6,685,458</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 2,218,886</b>	<b>\$ 2,878,479</b>	<b>\$ 2,773,388</b>	<b>\$ 2,796,448</b>	<b>\$ 3,234,927</b>	<b>\$ 3,148,637</b>	<b>\$ 2,269,568</b>	<b>\$ 1,653,652</b>	<b>\$ 3,780,321</b>	<b>\$ 3,628,995</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan fiduciary net position as a percentage of the total pension liability	52.56%	48.95%	53.59%	57.80%	55.24%	61.00%	72.26%	80.35%	61.16%	64.82%
Covered payroll	\$ 791,889	\$ 979,799	\$ 1,043,104	\$ 1,072,395	\$ 1,110,705	\$ 1,183,495	\$ 1,317,437	\$ 1,438,959	\$ 1,333,530	\$ 1,200,676
Employer's net pension liability as a percentage of covered payroll	280.20%	293.78%	265.88%	260.77%	291.25%	266.05%	172.27%	114.92%	283.48%	302.25%

Notes to Required Supplementary Information

Year Ended December 31, 2019 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the assumed rate on High Quality 20-Year Tax-Exempt General Obligation (G.O.) Bonds. The rate was changed from 4.10% to 2.74% and the underlying index used is The Bond Buyer 20-Bond G.O. Index.

Year Ended December 31, 2016 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, retirement rates, disability rates and termination rates. The following assumptions also changed since the prior year: (1) the discount rate used for the total pension liability was changed from 6.75% to 6.50%; (2) the long-term expected rate of return on plan assets was changed from 6.75% to 6.50%; (3) the High Quality 20-Year Tax Exempt G.O. Bond rate was changed from 3.57% to 3.78%; (4) the projected rate of individual salary increases changed from 4.50% to 14.00% to 4.00% to 14.00%; (5) the projected increase in total payroll was changed from 4.50% to 3.25%; (6) the change in the Consumer Price Index (Urban) was changed from 3.00% to 2.50%; and (7) the rate of inflation was changed from 3.00% to 2.50%.

Year Ended December 31, 2015 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, retirement rates, disability rates and termination rates.

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual money-weighted rate of return, net of investment expense	3.50%	0.41%	5.06%	10.17%	(3.16%)	15.65%	13.38%	7.90%	(12.03%)	13.23%

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 14,228	\$ 13,764	\$ 4,620	\$ 19,042	\$ 18,835	\$ 33,351
Interest	10,224	11,781	9,692	11,184	10,921	11,255
Differences between expected and actual experience	-	-	113,192	-	(226,168)	-
Changes of assumptions	(19,370)	53,194	53,246	(22,450)	(26,147)	11,432
Benefit payments, including refunds of member contributions	(15,041)	(14,321)	(10,479)	(3,386)	(6,982)	(3,044)
Net change in total OPEB liability	(9,959)	64,418	170,271	4,390	(229,541)	52,994
Total OPEB liability - beginning	304,510	294,551	358,969	529,240	533,630	304,089
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 294,551</b>	<b>\$ 358,969</b>	<b>\$ 529,240</b>	<b>\$ 533,630</b>	<b>\$ 304,089</b>	<b>\$ 357,083</b>
Covered-employee payroll	\$ 2,987,117	\$ 3,097,304	\$ 3,216,639	\$ 3,464,668	\$ 3,532,242	\$ 3,629,379
Employer's total OPEB liability as a percentage of covered-employee payroll	9.86%	11.59%	16.45%	15.40%	8.61%	9.84%

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

2023: Changes in assumptions related to the discount rate were made since the prior measurement date.

2022: Changes in assumptions related to the discount rate were made since the prior measurement date.

2021: Changes in assumptions related to the discount rate, mortality, mortality improvement, retirement, termination and disability rates were made since the prior measurement date.

2020: Changes in assumptions related to the discount rate, medical cost assumptions and safety rates were made since the prior measurement date.

2018 and 2019: Changes in assumptions related to the discount rate were made since the previous measurement date.

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

(See independent auditor's report.)

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

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### 1. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with GAAP. An annual budget was adopted for all funds except the Debt Service Fund, Police Pension Fund and Custodial Funds. 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 Board of Trustees. 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 Board of Trustees 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 of Trustees before year end.
- e. The Board of Trustees 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)

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**2. COMPLIANCE**

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

Fund	Actual Expenditures	Final Budget	Excess
Park Donations Fund	\$ 505	\$ -	\$ 505
Parks and Recreation Fund	943,439	898,042	45,397
Capital Improvements Fund	502,610	115,210	387,400
Motor Fuel Tax Fund	906,592	426,879	479,713
Community Development Fund	1,221,718	1,149,646	72,072

**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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>TAXES</b>			
Property taxes	\$ 2,037,142	\$ 2,013,741	\$ (23,401)
Road and bridge tax	22,146	52,190	30,044
Sales tax	270,000	351,790	81,790
Cannabis tax	22,655	12,790	(9,865)
Utility tax	430,000	425,838	(4,162)
Telecommunication tax	85,000	86,089	1,089
Food and beverage tax	22,000	23,679	1,679
Amusement tax	1,000	2,218	1,218
<b>Total taxes</b>	<b>2,889,943</b>	<b>2,968,335</b>	<b>78,392</b>
<b>LICENSES, PERMITS AND FEES</b>			
Licenses			
Liquor	8,650	7,225	(1,425)
Franchise	165,000	163,838	(1,162)
Business	9,150	10,400	1,250
<b>Total licenses</b>	<b>182,800</b>	<b>181,463</b>	<b>(1,337)</b>
Fees			
Court fines	95,000	112,596	17,596
Village code violations	25,000	45,495	20,495
Administrative impound fees	25,000	28,750	3,750
Police protection fees	500	330	(170)
Record requests	800	945	145
<b>Total fees</b>	<b>146,300</b>	<b>188,116</b>	<b>41,816</b>
Permits			
Solicitors' permit	1,600	220	(1,380)
<b>Total permits</b>	<b>1,600</b>	<b>220</b>	<b>(1,380)</b>
<b>Total licenses, permits and fees</b>	<b>330,700</b>	<b>369,799</b>	<b>39,099</b>
<b>INTERGOVERNMENTAL</b>			
Use tax	353,418	354,697	1,279
Income tax	1,368,362	1,447,378	79,016
Personal property replacement tax	5,103	5,215	112
Sales tax sharing	65,000	64,593	(407)
Grants	-	8,689	8,689
<b>Total intergovernmental</b>	<b>1,791,883</b>	<b>1,880,572</b>	<b>88,689</b>

(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, 2023

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>INVESTMENT INCOME</b>			
Interest income	\$ 250	\$ 62,340	\$ 62,090
Total investment income	250	62,340	62,090
<b>MISCELLANEOUS</b>			
Yard stickers	3,000	11,126	8,126
SWALCO fee	3,719	3,719	-
Miscellaneous	3,500	55,363	51,863
Total miscellaneous	10,219	70,208	59,989
<b>TOTAL REVENUES</b>	<u>\$ 5,022,995</u>	<u>\$ 5,351,254</u>	<u>\$ 328,259</u>

(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Administration				
Personnel services	\$ 406,776	\$ 406,776	\$ 394,351	\$ (12,425)
Contractual services	86,030	88,364	59,348	(29,016)
Commodities	6,315	4,015	3,805	(210)
Total administration	499,121	499,155	457,504	(41,651)
Legal				
Contractual services	247,750	246,566	236,371	(10,195)
Elected officials				
Personnel services	-	-	-	-
Contractual services	2,000	1,966	1,550	(416)
Total elected officials	2,000	1,966	1,550	(416)
Village clerk				
Personnel services	44,886	44,886	44,590	(296)
Contractual services	7,995	4,879	3,986	(893)
Total village clerk	52,881	49,765	48,576	(1,189)
Risk management				
Personnel services	12,643	12,643	12,567	(76)
Contractual services	525,500	525,500	425,936	(99,564)
Capital outlay	5,000	5,000	-	(5,000)
Total risk management	543,143	543,143	438,503	(104,640)
Police commission				
Contractual services	4,375	4,375	3,279	(1,096)
Commodities	100	100	-	(100)
Total police commission	4,475	4,475	3,279	(1,196)
Human resources				
Personnel services	50,857	50,857	49,683	(1,174)
Contractual services	6,285	6,285	776	(5,509)
Total human resources	57,142	57,142	50,459	(6,683)
Technology				
Contractual services	115,567	119,867	118,382	(1,485)
Total technology	115,567	119,867	118,382	(1,485)

(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, 2023

	Original Budget	Original and Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT (Continued)</b>				
Finance				
Personnel services	\$ 134,716	\$ 134,716	\$ 133,845	\$ (871)
Contractual services	38,492	38,492	38,431	(61)
Commodities	60	60	45	(15)
Total finance	173,268	173,268	172,321	(947)
Total general government	1,695,347	1,695,347	1,526,945	(168,402)
<b>BUILDING AND ZONING</b>				
Engineering				
Personnel services	18,304	18,304	18,496	192
Contractual services	14,000	14,000	7,568	(6,432)
Total engineering	32,304	32,304	26,064	(6,240)
Total building and zoning	32,304	32,304	26,064	(6,240)
<b>PUBLIC SAFETY</b>				
Police administration/operations				
Personnel services	2,044,189	2,044,189	2,050,256	6,067
Contractual services	180,299	164,299	168,394	4,095
Commodities	77,857	89,262	94,932	5,670
Capital outlay	7,000	7,000	1,279	(5,721)
Total police administration/operations	2,309,345	2,304,750	2,314,861	10,111
Total public safety	2,309,345	2,304,750	2,314,861	10,111
<b>PUBLIC WORKS</b>				
Administration				
Personnel services	470,773	470,773	456,589	(14,184)
Contractual services	46,830	49,330	43,936	(5,394)
Commodities	103,200	100,700	88,230	(12,470)
Total administration	620,803	620,803	588,755	(32,048)
Building and grounds				
Contractual services	16,900	16,900	11,285	(5,615)
Commodities	20,500	20,500	10,996	(9,504)
Total buildings and grounds	37,400	37,400	22,281	(15,119)
Total public works	658,203	658,203	611,036	(47,167)
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,695,199</b>	<b>\$ 4,690,604</b>	<b>\$ 4,478,906</b>	<b>\$ (211,698)</b>

(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 900,000	\$ 898,440	\$ (1,560)
Investment income	100	15,545	15,445
Miscellaneous	-	5,000	5,000
Total revenues	<u>900,100</u>	<u>918,985</u>	<u>18,885</u>
<b>EXPENDITURES</b>			
Public works			
Contractual services	<u>62,500</u>	<u>23,796</u>	<u>(38,704)</u>
Total expenditures	<u>62,500</u>	<u>23,796</u>	<u>(38,704)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 837,600</u>	<u>895,189</u>	<u>\$ 57,589</u>
FUND BALANCE, JANUARY 1		<u>-</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 895,189</u>	

(See independent auditor's report.)

**MAJOR ENTERPRISE FUND**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF NET POSITION  
AQUATIC CENTER ACCOUNTS

December 31, 2023

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Total
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 1,370	\$ 72,678	\$ 3,944	\$ 73	\$ 78,065
Accounts receivable	21,559	-	-	-	21,559
Total current assets	22,929	72,678	3,944	73	99,624
<b>NONCURRENT ASSETS</b>					
Capital assets					
Capital assets not being depreciated	417,459	-	-	-	417,459
Capital assets being depreciated, net	2,271,932	-	-	-	2,271,932
Net capital assets	2,689,391	-	-	-	2,689,391
Total assets	2,712,320	72,678	3,944	73	2,789,015
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension item - IMRF	29,919	-	-	-	29,919
Total deferred outflows of resources	29,919	-	-	-	29,919
Total assets and deferred outflows of resources	2,742,239	72,678	3,944	73	2,818,934
<b>CURRENT LIABILITIES</b>					
Accounts payable	1,153	-	-	-	1,153
Wages payable	644	-	-	-	644
Other postemployment benefits	424	-	-	-	424
Revenue bonds payable	249,000	-	-	-	249,000
Total current liabilities	251,221	-	-	-	251,221
<b>NONCURRENT LIABILITIES</b>					
Advance from other funds	817,539	-	-	-	817,539
IMRF net pension liability	60,725	-	-	-	60,725
Other postemployment benefits	20,473	-	-	-	20,473
Net revenue bonds payable	366,000	-	-	-	366,000
Total noncurrent liabilities	1,264,737	-	-	-	1,264,737
Total liabilities	1,515,958	-	-	-	1,515,958
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension item - IMRF	1,553	-	-	-	1,553
Total deferred inflows of resources	1,553	-	-	-	1,553
Total liabilities and deferred inflows of resources	1,517,511	-	-	-	1,517,511
<b>NET POSITION</b>					
Net investment in capital assets	2,074,391	-	-	-	2,074,391
Restricted					
Debt service	-	-	3,944	73	4,017
Repairs and maintenance	-	72,678	-	-	72,678
Unrestricted (deficit)	(849,663)	-	-	-	(849,663)
<b>TOTAL NET POSITION</b>	<b>\$ 1,224,728</b>	<b>\$ 72,678</b>	<b>\$ 3,944</b>	<b>\$ 73</b>	<b>\$ 1,301,423</b>

(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, 2023

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Total
<b>OPERATING REVENUES</b>					
Charges for service	\$ 322,955	\$ -	\$ -	\$ -	\$ 322,955
Total operating revenues	322,955	-	-	-	322,955
<b>OPERATING EXPENSES</b>					
Personnel services	277,069	-	-	-	277,069
Contractual services	139,958	-	-	-	139,958
Commodities	44,382	-	-	-	44,382
Maintenance	-	18,380	-	-	18,380
Depreciation	169,865	-	-	-	169,865
Total operating expenses	631,274	18,380	-	-	649,654
OPERATING LOSS	(308,319)	(18,380)	-	-	(326,699)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	22	1,580	17	-	1,619
Interest expense	(2,214)	-	-	-	(2,214)
Total non-operating revenues (expenses)	(2,192)	1,580	17	-	(595)
NET INCOME (LOSS) BEFORE TRANSFERS	(310,511)	(16,800)	17	-	(327,294)
<b>TRANSFERS</b>					
Transfers in	248,214	-	-	-	248,214
Total transfers	248,214	-	-	-	248,214
CHANGE IN NET POSITION	(62,297)	(16,800)	17	-	(79,080)
NET POSITION, JANUARY 1	1,287,025	89,478	3,927	73	1,380,503
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 1,224,728</b>	<b>\$ 72,678</b>	<b>\$ 3,944</b>	<b>\$ 73</b>	<b>\$ 1,301,423</b>

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS  
AQUATIC CENTER ACCOUNTS

For the Year Ended December 31, 2023

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 304,780	\$ -	\$ -	\$ -	\$ 304,780
Payments to suppliers	(185,629)	(18,380)	-	-	(204,009)
Payments to employees	(279,910)	-	-	-	(279,910)
Net cash from operating activities	(160,759)	(18,380)	-	-	(179,139)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund loan receipts	162,107	-	-	-	162,107
Transfers in	248,214	-	-	-	248,214
Net cash from noncapital financing activities	410,321	-	-	-	410,321
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal paid on long-term debt	(246,000)	-	-	-	(246,000)
Interest paid	(2,214)	-	-	-	(2,214)
Net cash from capital and related financing activities	(248,214)	-	-	-	(248,214)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	22	1,580	17	-	1,619
Net cash from investing activities	22	1,580	17	-	1,619
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,370	(16,800)	17	-	(15,413)
CASH AND CASH EQUIVALENTS, JANUARY 1	-	89,478	3,927	73	93,478
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,370</b>	<b>\$ 72,678</b>	<b>\$ 3,944</b>	<b>\$ 73</b>	<b>\$ 78,065</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (308,319)	\$ (18,380)	\$ -	\$ -	\$ (326,699)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	169,865	-	-	-	169,865
Increase (decrease) in					
Pension related items	(4,686)	-	-	-	(4,686)
OPEB related items	2,430	-	-	-	2,430
Accounts receivable	(18,175)	-	-	-	(18,175)
Accounts payable	(1,289)	-	-	-	(1,289)
Wages payable	(585)	-	-	-	(585)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (160,759)</b>	<b>\$ (18,380)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (179,139)</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

Park Donations Fund - used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks.

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

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	<u>Capital Projects</u>		<u>Debt</u>	<u>Total</u>
	<u>Park</u>	<u>Capital</u>		
	<u>Donations</u>	<u>Improvements</u>		
<b>ASSETS</b>				
Cash and investments	\$ 87,242	\$ 104,006	\$ 13,097	\$ 204,345
Accounts receivable	-	35,800	-	35,800
<b>TOTAL ASSETS</b>	<b>\$ 87,242</b>	<b>\$ 139,806</b>	<b>\$ 13,097</b>	<b>\$ 240,145</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 21	\$ 17,234	\$ -	\$ 17,255
Total liabilities	21	17,234	-	17,255
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - grants	-	35,800	-	35,800
Total deferred inflows of resources	-	35,800	-	35,800
<b>FUND BALANCES</b>				
Restricted				
Debt service	-	-	13,097	13,097
Assigned				
Capital improvements	87,221	86,772	-	173,993
Total fund balances	87,221	86,772	13,097	187,090
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 87,242</b>	<b>\$ 139,806</b>	<b>\$ 13,097</b>	<b>\$ 240,145</b>

(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, 2023

	<b>Capital Projects</b>		<b>Debt Service</b>	<b>Total</b>
	<b>Park Donations</b>	<b>Capital Improvements</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 25,000	\$ -	\$ 25,000
Donations	23,884	-	-	23,884
Investment income	1,621	3,051	246	4,918
Miscellaneous	-	63,632	-	63,632
Total revenues	<u>25,505</u>	<u>91,683</u>	<u>246</u>	<u>117,434</u>
<b>EXPENDITURES</b>				
Capital outlay	505	502,610	-	503,115
Total expenditures	<u>505</u>	<u>502,610</u>	<u>-</u>	<u>503,115</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>25,000</u>	<u>(410,927)</u>	<u>246</u>	<u>(385,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	330,000	-	330,000
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>330,000</u>	<u>-</u>	<u>330,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>25,000</u>	<u>(80,927)</u>	<u>246</u>	<u>(55,681)</u>
<b>FUND BALANCES, JANUARY 1</b>	62,221	142,699	12,851	217,771
Prior period adjustment	-	25,000	-	25,000
<b>FUND BALANCE, JANUARY 1, RESTATED</b>	<u>62,221</u>	<u>167,699</u>	<u>12,851</u>	<u>242,771</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 87,221</u>	<u>\$ 86,772</u>	<u>\$ 13,097</u>	<u>\$ 187,090</u>

(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Donations	\$ 4,500	\$ 23,884	\$ 19,384
Investment income	15	1,621	1,606
Total revenues	4,515	25,505	20,990
<b>EXPENDITURES</b>			
Capital outlay	-	505	505
Total expenditures	-	505	505
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	4,515	25,000	20,485
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(124,399)	-	124,399
Total other financing sources (uses)	(124,399)	-	124,399
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (119,884)</u></b>	<b>25,000</b>	<b><u>\$ 144,884</u></b>
<b>FUND BALANCE, JANUARY 1</b>		<u>62,221</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 87,221</u></u>	

(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, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 25,000	\$ 25,000
Investment income	50	50	3,051	3,001
Miscellaneous	-	-	63,632	63,632
Total revenues	50	50	91,683	91,633
<b>EXPENDITURES</b>				
Capital outlay	110,615	115,210	502,610	387,400
Total expenditures	110,615	115,210	502,610	387,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(110,565)	(115,160)	(410,927)	(295,767)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	120,000	124,595	330,000	205,405
Total other financing sources (uses)	120,000	124,595	330,000	205,405
NET CHANGE IN FUND BALANCE	\$ 9,435	\$ 9,435	(80,927)	\$ (90,362)
FUND BALANCE, JANUARY 1			142,699	
Prior period adjustment			25,000	
FUND BALANCE, JANUARY 1, RESTATED			167,699	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 86,772</b>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
CUSTODIAL FUNDS**

December 31, 2023

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	<b>Special Service Area #1</b>	<b>Special Service Area #2</b>	<b>Special Service Area #3</b>	<b>Special Service Area #4</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 52,391	\$ 51,475	\$ 54,810	\$ 66,554	\$ 225,230
Total assets	52,391	51,475	54,810	66,554	225,230
<b>LIABILITIES</b>					
None	-	-	-	-	-
Total liabilities	-	-	-	-	-
<b>NET POSITION</b>					
Restricted for debt service	\$ 52,391	\$ 51,475	\$ 54,810	\$ 66,554	\$ 225,230

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(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
CUSTODIAL FUNDS**

For the Year Ended December 31, 2023

	<b>Special Service Area #1</b>	<b>Special Service Area #2</b>	<b>Special Service Area #3</b>	<b>Special Service Area #4</b>	<b>Total</b>
<b>ADDITIONS</b>					
Contributions					
Property owner	\$ 1,292	\$ 1,607	\$ 520	\$ 107,169	\$ 110,588
Total contributions	1,292	1,607	520	107,169	110,588
Investment income					
Interest	984	965	1,029	688	3,666
Total additions	2,276	2,572	1,549	107,857	114,254
<b>DEDUCTIONS</b>					
Debt service					
Principal retirement	-	-	-	10,000	10,000
Interest and fiscal charges	-	-	-	36,369	36,369
Total deductions	-	-	-	46,369	46,369
<b>CHANGE IN NET POSITION</b>	<b>2,276</b>	<b>2,572</b>	<b>1,549</b>	<b>61,488</b>	<b>67,885</b>
<b>NET POSITION</b>					
January 1	50,115	48,903	53,261	5,066	157,345
December 31	\$ 52,391	\$ 51,475	\$ 54,810	\$ 66,554	\$ 225,230

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	83-92
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	93-97
<b>Debt Capacity</b> 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.	98-102
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	103-104
<b>Operating Information</b> 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.	105-107

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

VILLAGE OF HAWTHORN WOODS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 13,237,343	\$ 10,667,939	\$ 10,507,396	\$ 10,314,182
Restricted	1,463,134	1,336,030	974,040	934,097
Unrestricted	3,182,950	823,797	669,550	26,468
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 17,883,427</b>	<b>\$ 12,827,766</b>	<b>\$ 12,150,986</b>	<b>\$ 11,274,747</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 1,755,960	\$ 3,872,338	\$ 3,785,525	\$ 3,704,720
Restricted	305,176	319,822	786,825	557,334
Unrestricted	145,230	634,399	852,021	1,106,875
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 2,206,366</b>	<b>\$ 4,826,559</b>	<b>\$ 5,424,371</b>	<b>\$ 5,368,929</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 14,993,303	\$ 14,540,277	\$ 14,292,921	\$ 14,018,902
Restricted	1,768,310	1,655,852	1,760,865	1,491,431
Unrestricted	3,328,180	1,458,196	1,521,571	1,133,343
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 20,089,793</b>	<b>\$ 17,654,325</b>	<b>\$ 17,575,357</b>	<b>\$ 16,643,676</b>

Data Source

Audited Financial Statements

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	10,034,852	\$ 9,751,786	\$ 9,790,016	\$ 9,369,158	\$ 8,898,551	\$ 8,850,320
	804,036	890,855	1,191,110	1,466,320	1,840,368	2,273,779
	(645,904)	(1,694,921)	(2,295,878)	(1,602,870)	192,148	(49,240)
\$	10,192,984	\$ 8,947,720	\$ 8,685,248	\$ 9,232,608	\$ 10,931,067	\$ 11,074,859
\$	3,628,297	\$ 3,617,439	\$ 3,620,957	\$ 3,793,313	\$ 3,786,903	\$ 3,785,032
	386,042	360,288	360,819	96,910	93,478	76,695
	1,221,130	1,152,232	923,345	1,188,888	1,284,135	1,056,121
\$	5,235,469	\$ 5,129,959	\$ 4,905,121	\$ 5,079,111	\$ 5,164,516	\$ 4,917,848
\$	13,663,149	\$ 13,369,225	\$ 13,410,973	\$ 13,162,471	\$ 12,685,454	\$ 12,635,352
	1,190,078	1,251,143	1,551,929	1,563,230	1,933,846	2,350,474
	575,226	(542,689)	(1,372,533)	(413,982)	1,476,283	1,006,881
\$	15,428,453	\$ 14,077,679	\$ 13,590,369	\$ 14,311,719	\$ 16,095,583	\$ 15,992,707

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 1,433,958	\$ 1,808,015	\$ 2,027,037	\$ 2,089,637
Building and zoning	865,096	761,186	1,022,469	746,990
Public safety	1,405,975	2,386,651	1,914,277	1,894,294
Public works	1,052,568	1,050,881	1,241,242	979,151
Parks and recreation	807,156	1,031,292	1,025,804	1,121,580
Interest	183,730	148,062	134,997	119,899
Total governmental activities expenses	<u>5,748,483</u>	<u>7,186,087</u>	<u>7,365,826</u>	<u>6,951,551</u>
Business-Type Activities				
Aquatics	587,821	640,741	660,247	696,825
Sewer	-	115,912	157,577	279,716
Total business-type activities expenses	<u>587,821</u>	<u>756,653</u>	<u>817,824</u>	<u>976,541</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 6,336,304</u>	<u>\$ 7,942,740</u>	<u>\$ 8,183,650</u>	<u>\$ 7,928,092</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for services				
General government	\$ 391,605	\$ 398,519	\$ 401,282	\$ 416,408
Building and zoning	904,290	1,199,716	1,200,388	905,187
Public safety	147,819	153,428	143,872	173,984
Public works	69,012	-	-	-
Parks and recreation	60,328	208,708	193,084	179,774
Operating grants and contributions	340,582	201,303	208,033	207,320
Capital grants and contributions	463,240	40,983	107,599	196,039
Total governmental activities program revenues	<u>2,376,876</u>	<u>2,202,657</u>	<u>2,254,258</u>	<u>2,078,712</u>
Business-Type Activities				
Charges for services				
Aquatics	278,611	312,671	423,518	329,191
Sewer	-	29,567	44,441	59,213
Capital grants and contributions	-	-	72	-
Total business-type activities program revenues	<u>278,611</u>	<u>342,238</u>	<u>468,031</u>	<u>388,404</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 2,655,487</u>	<u>\$ 2,544,895</u>	<u>\$ 2,722,289</u>	<u>\$ 2,467,116</u>
<b>NET (EXPENSES) REVENUES</b>				
Governmental activities	\$ (3,371,607)	\$ (4,983,430)	\$ (5,111,568)	\$ (4,872,839)
Business-type activities	(309,210)	(414,415)	(349,793)	(588,137)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES</b>	<u>\$ (3,680,817)</u>	<u>\$ (5,397,845)</u>	<u>\$ (5,461,361)</u>	<u>\$ (5,460,976)</u>

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	1,720,488	\$ 2,324,191	\$ 1,970,667	\$ 1,806,782	\$ 1,813,458	\$ 2,510,839
	755,016	1,177,936	736,740	710,957	704,662	821,180
	2,062,104	2,289,091	2,057,899	1,971,082	2,320,845	2,481,617
	1,202,938	932,058	977,754	803,989	854,720	1,306,641
	1,283,701	1,161,028	1,184,664	1,158,876	1,087,862	1,277,691
	99,420	78,340	56,660	38,748	9,809	-
	7,123,667	7,962,644	6,984,384	6,490,434	6,791,356	8,397,968
	677,370	739,763	447,028	637,107	660,796	651,868
	304,701	446,573	611,333	851,616	602,576	480,894
	982,071	1,186,336	1,058,361	1,488,723	1,263,372	1,132,762
\$	8,105,738	\$ 9,148,980	\$ 8,042,745	\$ 7,979,157	\$ 8,054,728	\$ 9,530,730
\$	442,199	\$ 418,092	\$ 373,975	\$ 395,135	\$ 388,172	\$ 225,477
	903,415	1,332,549	856,749	1,188,625	848,342	1,012,461
	192,614	170,480	96,455	122,494	112,850	159,366
	-	-	-	-	-	-
	178,213	116,632	115,230	162,998	138,229	153,304
	213,158	271,689	692,224	338,614	371,829	475,628
	100,058	149,796	219,269	225,474	213,062	88,632
	2,029,657	2,459,238	2,353,902	2,433,340	2,072,484	2,114,868
	348,639	319,027	72	283,686	336,253	322,955
	435,999	499,717	571,675	1,122,044	748,183	270,370
	-	-	-	-	-	-
	784,638	818,744	571,747	1,405,730	1,084,436	593,325
\$	2,814,295	\$ 3,277,982	\$ 2,925,649	\$ 3,839,070	\$ 3,156,920	\$ 2,708,193
\$	(5,094,010)	\$ (5,503,406)	\$ (4,630,482)	\$ (4,057,094)	\$ (4,718,872)	\$ (6,283,100)
	(197,433)	(367,592)	(486,614)	(82,993)	(178,936)	(539,437)
\$	(5,291,443)	\$ (5,870,998)	\$ (5,117,096)	\$ (4,140,087)	\$ (4,897,808)	\$ (6,822,537)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 1,886,580	\$ 1,880,861	\$ 1,926,474	\$ 2,002,924
Road and bridge	18,420	17,361	17,532	16,923
Sales	179,487	177,840	182,942	188,927
Amusement	2,566	6,595	2,217	1,972
Cannabis	-	-	-	-
Food and beverage	-	-	-	-
Telecommunications and utility	600,113	558,460	539,486	529,351
Intergovernmental				
Use	149,254	170,628	182,558	201,471
Income	733,685	815,367	745,947	703,840
Replacement	1,761	1,885	1,662	1,766
American Rescue Plan Act	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Investment income	201,303	159,208	156,056	156,886
Miscellaneous	535,535	835,773	815,746	237,540
Transfers in (out)	(298,256)	(2,778,533)	(560,000)	(45,000)
Total governmental activities	4,010,448	1,845,445	4,010,620	3,996,600
Business-Type Activities				
Investment income	887	1,696	2,550	5,548
Connection fees	-	276,000	368,287	481,975
Miscellaneous	601	156	378	172
Transfers in	298,256	2,778,533	560,000	45,000
Total business-type activities	299,744	3,056,385	931,215	532,695
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,310,192</b>	<b>\$ 4,901,830</b>	<b>\$ 4,941,835</b>	<b>\$ 4,529,295</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 638,841	\$ (3,137,985)	\$ (1,100,948)	\$ (876,239)
Business-type activities	(9,466)	2,641,970	581,422	(55,442)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 629,375</b>	<b>\$ (496,015)</b>	<b>\$ (519,526)</b>	<b>\$ (931,681)</b>

Data Source

Audited Financial Statements

	2018	2019	2020	2021	2022	2023
\$	2,091,434	\$ 2,175,679	\$ 2,267,045	\$ 2,341,843	\$ 2,396,971	\$ 3,438,959
	17,066	17,092	16,999	16,111	16,511	52,190
	192,156	199,368	211,744	362,238	410,139	416,383
	102	1,322	1,148	383	1,559	2,218
	-	-	5,768	12,020	15,613	12,790
	-	-	-	-	7,428	23,679
	549,171	509,656	489,656	497,863	592,162	511,927
	238,969	282,824	362,089	338,898	369,942	354,697
	767,716	888,554	907,169	1,108,155	1,476,629	1,447,378
	1,502	2,100	1,756	3,026	6,424	5,215
	-	-	-	-	1,179,310	-
	-	-	-	6,305	-	-
	140,977	98,964	31,602	1,088	33,613	166,122
	273,048	337,316	331,299	172,464	163,920	218,548
	(100,000)	(254,733)	(258,265)	(255,940)	(252,890)	(248,214)
	4,172,141	4,258,142	4,368,010	4,604,454	6,417,331	6,401,892
	6,909	6,891	3,511	1,043	11,451	44,555
	-	-	-	-	-	-
	644	458	-	-	-	-
	100,000	254,733	258,265	255,940	252,890	248,214
	107,553	262,082	261,776	256,983	264,341	292,769
\$	4,279,694	\$ 4,520,224	\$ 4,629,786	\$ 4,861,437	\$ 6,681,672	\$ 6,694,661
\$	(921,869)	\$ (1,245,264)	\$ (262,472)	\$ 547,360	\$ 1,698,459	\$ 118,792
	(89,880)	(105,510)	(224,838)	173,990	85,405	(246,668)
\$	(1,011,749)	\$ (1,350,774)	\$ (487,310)	\$ 721,350	\$ 1,783,864	\$ (127,876)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GENERAL FUND</b>				
Nonspendable				
Prepaid items	\$ 65,615	\$ 71,296	\$ 42,758	\$ 83,240
Advance to other funds	-	-	-	-
Assigned				
Cash reserves	1,332,063	1,351,238	1,420,913	1,405,369
Unassigned	546,020	776,900	10,575	81,242
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,943,698</b>	<b>\$ 2,199,434</b>	<b>\$ 1,474,246</b>	<b>\$ 1,569,851</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable				
Prepaid items	\$ 17,332	\$ 17,852	\$ 17,852	\$ 18,409
Restricted				
Highway and streets	568,544	447,050	368,897	317,374
Debt service	5,749,639	5,418,760	4,461,500	3,771,188
Capital improvements	294,601	-	-	-
Special recreation	485,350	460,220	478,643	510,535
Committed				
Capital improvements	1,428,206	1,368,591	1,247,033	937,136
Assigned				
Capital improvements	248,201	715,989	1,331,178	1,118,791
Parks and recreation	-	-	-	-
Sister Cities	2,677	4,294	5,112	6,604
Unassigned	(89,539)	(179,798)	(133,595)	(190,816)
<b>TOTAL ALL OTHER GOVERNMENT FUNDS</b>	<b>\$ 8,705,011</b>	<b>\$ 8,252,958</b>	<b>\$ 7,776,620</b>	<b>\$ 6,489,221</b>

Data Source

Audited Financial Statements

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	41,606	\$ 43,096	\$ 31,758	\$ 70,132	\$ 69,434	\$ 28,081
	-	26,375	26,375	79,441	1,172,018	1,664,477
	1,434,650	1,519,675	1,495,192	1,562,875	1,637,358	2,490,799
	606,775	616,173	931,601	1,087,215	1,882,641	962,228
<b>\$</b>	<b>2,083,031</b>	<b>\$ 2,205,319</b>	<b>\$ 2,484,926</b>	<b>\$ 2,799,663</b>	<b>\$ 4,761,451</b>	<b>\$ 5,145,585</b>
\$	30,565	\$ 21,659	\$ -	\$ 18,756	\$ 42,217	\$ 19,331
	332,827	277,284	504,412	777,879	1,028,088	1,475,739
	3,079,847	2,371,184	1,606,285	807,383	12,851	13,097
	-	-	-	-	-	-
	366,362	507,387	615,413	661,058	799,429	784,943
	643,522	367,789	324,990	536,487	342,374	299,496
	587,398	375,355	8,027	40,628	181,459	173,993
	-	-	-	-	-	-
	7,437	8,933	9,293	10,047	-	-
	(221,467)	(503,068)	(790,868)	(1,044,501)	(1,328,452)	(1,644,373)
<b>\$</b>	<b>4,826,491</b>	<b>\$ 3,426,523</b>	<b>\$ 2,277,552</b>	<b>\$ 1,807,737</b>	<b>\$ 1,077,966</b>	<b>\$ 1,122,226</b>

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>REVENUES</b>				
Taxes	\$ 2,651,562	\$ 2,584,873	\$ 2,612,973	\$ 2,687,035
Licenses, permits and fees	1,850,366	2,124,849	2,402,311	1,791,997
Intergovernmental	1,448,439	1,247,627	1,274,643	1,202,765
Donations	-	-	-	-
Investment income	201,303	159,208	156,056	156,886
Contribution from property owners	114,838	-	-	-
Miscellaneous	419,072	710,078	378,895	281,629
<b>Total revenues</b>	<b>6,685,580</b>	<b>6,826,635</b>	<b>6,824,878</b>	<b>6,120,312</b>
<b>EXPENDITURES</b>				
General government	1,403,087	1,657,116	1,795,348	1,893,610
Building and zoning	790,529	683,338	944,272	685,010
Public safety	1,419,335	1,552,381	1,659,150	1,792,619
Public works	947,117	894,609	913,322	807,503
Parks and recreation	574,735	704,703	676,472	800,923
Capital outlay	318,824	164,972	648,821	489,847
Debt service				
Principal	605,000	645,000	655,000	670,000
Interest and fiscal charges	190,678	155,469	142,519	127,594
<b>Total expenditures</b>	<b>6,249,305</b>	<b>6,457,588</b>	<b>7,434,904</b>	<b>7,267,106</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>436,275</b>	<b>369,047</b>	<b>(610,026)</b>	<b>(1,146,794)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	409,940	719,364	1,582,594	568,137
Transfers (out)	(708,196)	(1,284,728)	(2,142,594)	(613,137)
Debt certificates issued at par	-	-	-	-
Premium of debt certificates issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(298,256)</b>	<b>(565,364)</b>	<b>(560,000)</b>	<b>(45,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 138,019</b>	<b>\$ (196,317)</b>	<b>\$ (1,170,026)</b>	<b>\$ (1,191,794)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>13.42%</b>	<b>12.55%</b>	<b>11.15%</b>	<b>11.38%</b>

Data Source

Audited Financial Statements

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 2,794,289	\$ 2,850,485	\$ 2,934,874	\$ 3,170,835	\$ 3,377,423	\$ 4,393,553
1,796,373	2,182,666	1,614,571	1,865,445	1,474,914	1,536,838
1,324,217	1,636,553	2,229,587	2,066,630	3,680,157	2,336,711
-	-	-	81,969	47,994	23,884
140,977	98,964	31,602	1,088	33,613	166,122
-	-	-	-	-	-
245,942	203,445	169,543	101,462	128,604	272,066
<b>6,301,798</b>	<b>6,972,113</b>	<b>6,980,177</b>	<b>7,287,429</b>	<b>8,742,705</b>	<b>8,729,174</b>
1,612,205	2,085,030	1,851,873	1,740,411	1,766,380	1,817,692
699,092	1,090,224	709,586	671,560	699,892	759,478
1,894,357	1,911,305	2,005,546	2,165,998	2,185,780	2,314,861
825,380	910,522	1,000,567	773,583	842,072	1,541,424
985,192	796,474	818,597	801,033	877,180	1,011,974
537,778	405,011	410,063	237,868	87,727	632,137
690,000	710,000	730,000	755,000	780,000	-
107,344	86,494	65,044	47,419	18,767	-
<b>7,351,348</b>	<b>7,995,060</b>	<b>7,591,276</b>	<b>7,192,872</b>	<b>7,257,798</b>	<b>8,077,566</b>
(1,049,550)	(1,022,947)	(611,099)	94,557	1,484,907	651,608
190,000	190,000	90,000	215,000	250,050	420,000
(290,000)	(444,733)	(348,265)	(470,940)	(502,940)	(668,214)
-	-	-	-	-	-
-	-	-	-	-	-
<b>(100,000)</b>	<b>(254,733)</b>	<b>(258,265)</b>	<b>(255,940)</b>	<b>(252,890)</b>	<b>(248,214)</b>
<b>\$ (1,149,550)</b>	<b>\$ (1,277,680)</b>	<b>\$ (869,364)</b>	<b>\$ (161,383)</b>	<b>\$ 1,232,017</b>	<b>\$ 403,394</b>
11.09%	10.23%	11.23%	11.30%	11.03%	0.00%

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Farm Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (A)</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2013	\$ 377,383,011	\$ 6,382,113	\$ 2,615,038	\$ 79,320	\$ 386,459,482	\$ 0.490	\$ 1,159,378,446	33.333%
2014	376,346,323	6,945,173	2,369,686	92,883	385,754,065	0.489	1,157,262,195	33.333%
2015	392,167,789	6,872,813	1,965,169	112,015	401,117,786	0.481	1,203,353,358	33.333%
2016	424,607,885	7,188,921	2,130,265	123,744	434,050,815	0.462	1,302,152,445	33.333%
2017	447,500,744	7,383,130	2,092,940	102,208	457,079,022	0.458	1,371,237,066	33.333%
2018	463,647,744	7,502,301	2,325,335	107,612	473,582,992	0.461	1,420,748,976	33.333%
2019	478,009,574	8,199,341	1,951,425	108,447	488,268,787	0.465	1,464,806,361	33.333%
2020	477,703,599	8,288,092	1,570,867	107,136	487,669,694	0.482	1,463,009,082	33.333%
2021	485,047,149	8,671,104	1,876,854	107,136	495,702,243	0.482	1,487,106,729	33.333%
2022	506,144,297	9,212,541	1,946,351	98,273	517,401,462	0.663	1,552,204,386	33.333%

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

Data Source

Office of the Lake County Clerk

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

ELA TOWNSHIP

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Village Direct Rates (A)</b>				
Corporate	0.124	0.128	0.117	0.138
Police protection	0.239	0.242	0.273	0.236
Street and bridge - Ela	0.047	0.028	0.000	0.000
Property tax recapture	0.000	0.000	0.000	0.000
Audit tax	0.006	0.005	0.006	0.005
Liability insurance	0.033	0.046	0.045	0.043
Social security	0.000	0.000	0.000	0.000
Special recreation	0.040	0.040	0.040	0.040
Total direct rate without SSAs	0.489	0.489	0.481	0.462
<b>Special Service Areas</b>				
SSA #1 (B)	0.267	0.267	0.257	0.243
SSA #2	0.161	0.165	0.160	0.148
SSA #3	0.259	0.261	0.251	0.241
Total direct rate with SSAs	1.176	1.182	1.149	1.094
<b>Overlapping Rates</b>				
Lake County	0.663	0.682	0.663	0.632
Lake County Forest Preserve	0.218	0.210	0.208	0.193
Ela Township - Corp.	0.100	0.100	0.098	0.095
Ela Township - R & B	0.057	0.055	0.055	0.053
Ela Township - Gravel	0.000	0.000	0.000	0.000
School District #95	5.242	5.291	5.191	5.021
School District #96	3.976	4.040	3.870	3.690
School District #79	3.521	3.606	3.514	3.298
Consolidated H.S. District #125	2.989	3.049	3.004	2.858
Community College #532	0.296	0.306	0.299	0.285
Ela Area Library	0.409	0.410	0.398	0.381
Countryside Fire District	0.597	0.613	0.598	0.570
Lake Zurich Fire District	0.695	0.705	0.542	0.601
Wauconda Fire District	0.681	0.709	0.699	0.662
Long Grove Fire District	0.812	0.830	0.798	0.770
<b>TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION</b>	<b>21.432</b>	<b>21.788</b>	<b>21.086</b>	<b>20.203</b>
<b>SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF HAWTHORN WOODS</b>	<b>3.53%</b>	<b>3.47%</b>	<b>3.50%</b>	<b>3.49%</b>

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

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

Notes: 2023 information not available at the time of printing.

The Village lies in Ela Township and Fremont Township. Only Ela Township is reflected as it represents 81% of the Village's assessed valuation.

Data Source

Office of the County Clerk

2017	2018	2019	2020	2021	2022
0.108	0.048	0.078	0.059	0.074	0.239
0.245	0.311	0.287	0.315	0.306	0.315
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.001	0.001
0.005	0.005	0.004	0.005	0.005	0.005
0.039	0.039	0.035	0.039	0.037	0.037
0.021	0.020	0.021	0.024	0.024	0.025
0.040	0.040	0.040	0.040	0.040	0.040
0.458	0.463	0.465	0.482	0.487	0.662
0.237	0.231	0.230	0.230	0.228	0.000
0.138	0.130	0.126	0.125	0.123	0.000
0.233	0.231	0.224	0.232	0.233	0.000
1.066	1.055	1.045	1.069	1.071	0.662
0.622	0.611	0.596	0.598	0.598	0.589
0.187	0.182	0.179	0.182	0.179	0.173
0.093	0.093	0.094	0.096	0.149	0.145
0.010	0.010	0.010	0.010	0.010	0.010
0.042	0.042	0.042	0.043	0.043	0.043
4.960	5.020	4.985	5.091	5.206	5.265
3.655	3.716	3.766	3.936	4.032	4.139
3.209	3.176	3.196	3.237	3.019	3.051
2.862	2.888	2.871	2.983	3.092	3.192
0.281	0.281	0.281	0.290	0.293	0.296
0.371	0.318	0.319	0.322	0.329	0.331
0.559	0.563	0.565	0.593	0.610	0.630
0.488	0.520	0.525	0.543	0.559	0.555
0.652	0.656	0.659	0.666	0.661	0.665
0.750	0.776	0.815	0.842	0.872	0.887
19.807	19.907	19.948	20.501	20.723	20.633
3.51%	3.49%	3.48%	3.47%	3.45%	3.21%

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2022 Tax Levy			2013 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	\$ 1,096,229	1	0.21%	\$ 1,480,106	1	0.38%
Aqua Illinois, Inc. Regional Office	878,358	2	0.17%	783,110	2	0.20%
Individual	706,229	3	0.14%			
A L I Holdings LLC	584,843	4	0.11%			
AGP Investments LLC	549,414	5	0.11%	464,366	10	0.12%
Chicago Title Land Trust Co.	558,887	6	0.11%			
Tauke Properties	557,061	7	0.11%	515,096	7	0.13%
Quentin 37 LLC	530,195	8	0.10%			
Individual	525,597	9	0.10%			
Individual	511,298	10	0.10%			
Starzwood Development, Inc				489,370	8	0.13%
Icon Development Group, LLC				723,876	3	0.19%
Icon Development Group, LLC				651,624	4	0.17%
Icon Development Group, LLC				618,368	6	0.16%
Hawthorn 45 LLC				466,095	9	0.12%
Toll Brothers Inc.				627,031	5	0.16%
	<u>\$ 6,498,111</u>		<u>1.26%</u>	<u>\$ 6,819,042</u>		<u>1.76%</u>

Notes: 2023 information is not available.

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.

Data Source

Office of the Lake County Clerk

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

<b>Levy Year</b>	<b>Tax Levied (B)</b>	<b>Levy Collections</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 3,047,059	\$ 3,003,311	98.56%
2015	3,089,227	3,021,687	97.81%
2016	3,314,196	3,248,833	98.03%
2017	3,354,194	3,046,660	90.83%
2018	3,520,142	4,140,810	117.63% *
2019	3,393,910	3,146,887	92.72%
2020	3,475,840	3,273,314	94.17%
2021	3,559,307	3,364,169	94.52%
2022	3,645,535	3,601,738	98.80%
2023 (A)	3,916,299	N/A	N/A

(A) Collections for the 2023 Tax Levy Year will not be received until fiscal year 2024.

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

\*Percentage of levy is at 117.63% due to property tax prepayments in SSA#4

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

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			
2014	\$ -	\$ 5,699,715	\$ -	\$ -	\$ 2,485,000	\$ 11,146	\$ 8,195,861	2.48%	\$ 1,070
2015	-	5,047,308	-	-	2,340,000	10,496	7,397,804	2.24%	965
2016	-	4,384,786	-	-	2,190,000	9,823	6,584,609	1.99%	859
2017	-	3,707,091	-	-	2,035,000	9,128	5,751,219	1.74%	751
2018	-	3,009,167	-	-	1,875,000	8,410	4,892,577	1.48%	586
2019	-	2,291,013	-	-	1,710,000	7,670	4,008,683	1.21%	480
2020	-	1,552,629	-	-	1,540,000	6,930	3,099,559	0.94%	371
2021	-	788,958	-	-	1,103,000	-	1,891,958	0.57%	209
2022	-	-	-	-	861,000	-	861,000	0.26%	95
2023	-	-	-	-	615,000	-	615,000	0.19%	68

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 104 for personal income and population data.

Data Source

Audited Financial Statements

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

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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, 2023

<b>Governmental Unit</b>	<b>Gross Debt (A)</b>	<b>Percentage Debt Applicable to the Village (B)</b>	<b>Village's Share of Debt</b>
Village of Hawthorn Woods	\$ -	100.000%	\$ -
Lake County, including Forest Preserve District	293,475,000	1.799%	5,280,245
Mundelein Park District	1,470,000	0.080%	1,170.00
Countryside Fire Protection District	895,000	11.940%	106,863.00
Wauconda Fire Protection District	20,670,000	1.381%	285,424
Village of Hawthorn Woods SSA#4	1,264,000	100.000%	1,264,000
School District #79	3,270,000	20.809%	680,440
Community Unit School District #95	63,350,000	15.365%	9,733,429.00
High School District #120	50,290,000	5.869%	2,951,692
High School District #125	39,010,000	3.934%	1,534,561
Community College District #532	77,725,000	1.887%	1,466,620
<b>TOTAL OVERLAPPING DEBT</b>	<u><u>\$ 551,419,000</u></u>		<u><u>\$ 23,304,444</u></u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 551,419,000</u></u>		<u><u>\$ 23,304,444</u></u>

(A) Gross debt is calculated as of December 31, 2023, and excludes debt maturing January 2024.

(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.

(C) Overlapping percentages are based on 2022 EAV's, the most current available.

Data Source

Office of the Lake County Clerk

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Revenues*</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2014	\$ 279,196	\$ 140,000	\$ 114,535	\$ 1.10
2015	312,954	145,000	111,035	1.22
2016	350,991	150,000	105,960	1.37
2017	337,186	155,000	100,710	1.32
2018	349,152	160,000	95,285	1.37
2019	319,496	165,000	89,365	1.26
2020	72	170,000	82,765	-
2021	283,686	180,000	75,540	1.11
2022	889,580	242,000	9,927	3.53
2022	756,141	246,000	7,749	2.98

\*As defined in applicable bond indentures and governing laws.

Revenue Bonds were issued June 15, 2007.

Data Source

Village records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2023

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Maximum allowable general obligation debt (8.625% of assessed valuation of \$517,401,462)	\$ 44,625,876
General obligation bonds	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 44,625,876</u></u>

Data Source

Village records

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b>	<b>(1) Per Capita Personal Income</b>	<b>(2) Unemployment Rate</b>
2014	7,663	\$ 330,727,417	\$ 43,159	6.20%
2015	7,663	330,727,417	43,159	6.10%
2016	7,663	330,727,417	43,159	5.20%
2017	7,663	330,727,417	43,159	4.70%
2018	8,348	330,727,417	43,159	4.70%
2019	8,348	330,727,417	43,159	3.50%
2020	8,348	330,727,417	64,754	7.00%
2021	9,062	331,449,281	69,631	5.30%
2022	9,062	331,449,281	71,575	4.60%
2023	9,062	331,449,281	73,851	5.00%

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 Nine Years Ago

Employer	2023			2014		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Hawthorn Woods Country Club - Kemper Sports	90.0	1	1.0%	70.0	1	0.9%
Community Unit School District 95	70.0	2	0.8%	55.0	2	0.7%
Village of Hawthorn Woods	39.0	3	0.4%	28.0	5	0.4%
Hawthorn Gardens	23.0	4	0.3%	33.0	4	0.4%
Country Bumpkin	20.0	5	0.2%	17.0	7	0.2%
The Goddard School	14.0	6	0.2%			
Kiddie Academy	12.0	7	0.1%			
Byline Bank	10.0	8	0.1%			
St. Matthew Lutheran Church and School	7.0	9	0.1%	20.0	6	0.3%
Hawthorn Woods Community Bank	-	10	0.0%			
RH Insurance				11.0	9	0.1%
Barn Nursery				50.0	3	0.7%
Kiddy Garden				13.0	8	0.2%
Toll Brothers				-	10	0.0%
<b>TOTAL</b>	<b>285</b>			<b>297</b>		

Data Source

Village records

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>GENERAL GOVERNMENT</b>										
Administration	2.0	3.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0	3.0
Finance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building and zoning	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Parks and recreation	2.0	5.0	4.0	4.0	4.0	4.0	5.0	4.0	5.0	5.0
<b>PUBLIC SAFETY</b>										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0	2.0	2.0
Officers	10.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0
<b>HIGHWAYS AND STREETS</b>										
Administration	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Street maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
<b>TOTAL</b>	<b>28.0</b>	<b>36.0</b>	<b>35.0</b>	<b>35.0</b>	<b>34.0</b>	<b>34.0</b>	<b>35.0</b>	<b>38.0</b>	<b>39.0</b>	<b>39.0</b>

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Data Source

Village records

VILLAGE OF HAWTHORN WOODS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

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Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	70	79	83	87	107	106	46	96	117	160
Parking violations	1,011	662	647	515	454	306	188	265	206	340
Traffic violations	743	1,028	1,123	1,550	1,790	1,142	767	1,309	821	1,032
<b>PUBLIC WORKS</b>										
Vehicles maintained by department	24.0	25.0	26.0	27.0	27.0	27.0	27.0	27.0	27.0	32.0
Street resurfacing (miles)	-	-	-	0.2	1.3	0.2	-	-	-	-

Data Source

Various village departments

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>PUBLIC SAFETY</b>										
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	8	8	8	8	8	8	8	8	8	8
<b>PUBLIC WORKS</b>										
Miles of streets	58.0	58.0	58.0	58.0	52.0	52.0	53.5	53.5	55.4	55.4
Streetlights	53	53	53	63	63	63	75	75	75	75
Traffic signals	2	2	2	2	2	2	2	2	2	2
<b>WASTEWATER</b>										
Miles of storm sewers	24	24	24	24.7	24.700	24.700	26.400	26.400	28.000	28.000
Miles of sanitary sewers	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Miles of forcemain	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Lift stations	2	2	2	2	2	2	2	2	2	2

Data Source

Various village departments