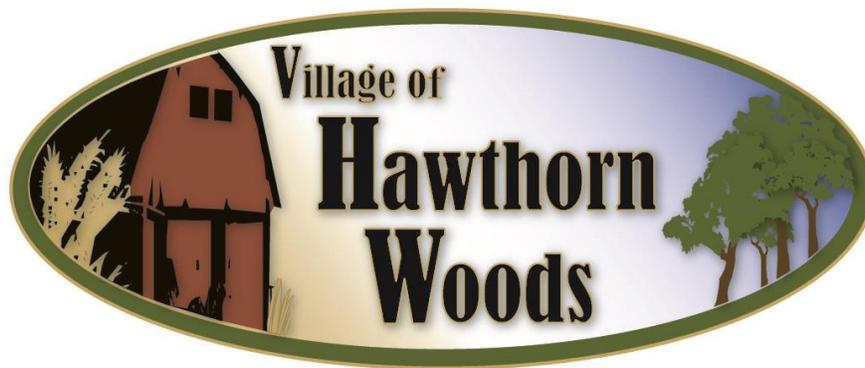


**VILLAGE OF  
HAWTHORN WOODS, ILLINOIS**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2020

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, 2020

---

**VILLAGE OF BOARD TRUSTEES**

Dominick DiMaggio, Mayor

Michael David

James Kaiser

Jayne Kosik

Jodi McCarthy

Steve Reiss

Thomas Rychlik

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

Chief Administrative Officer/Village Clerk  
Donna Lobaito, RMC

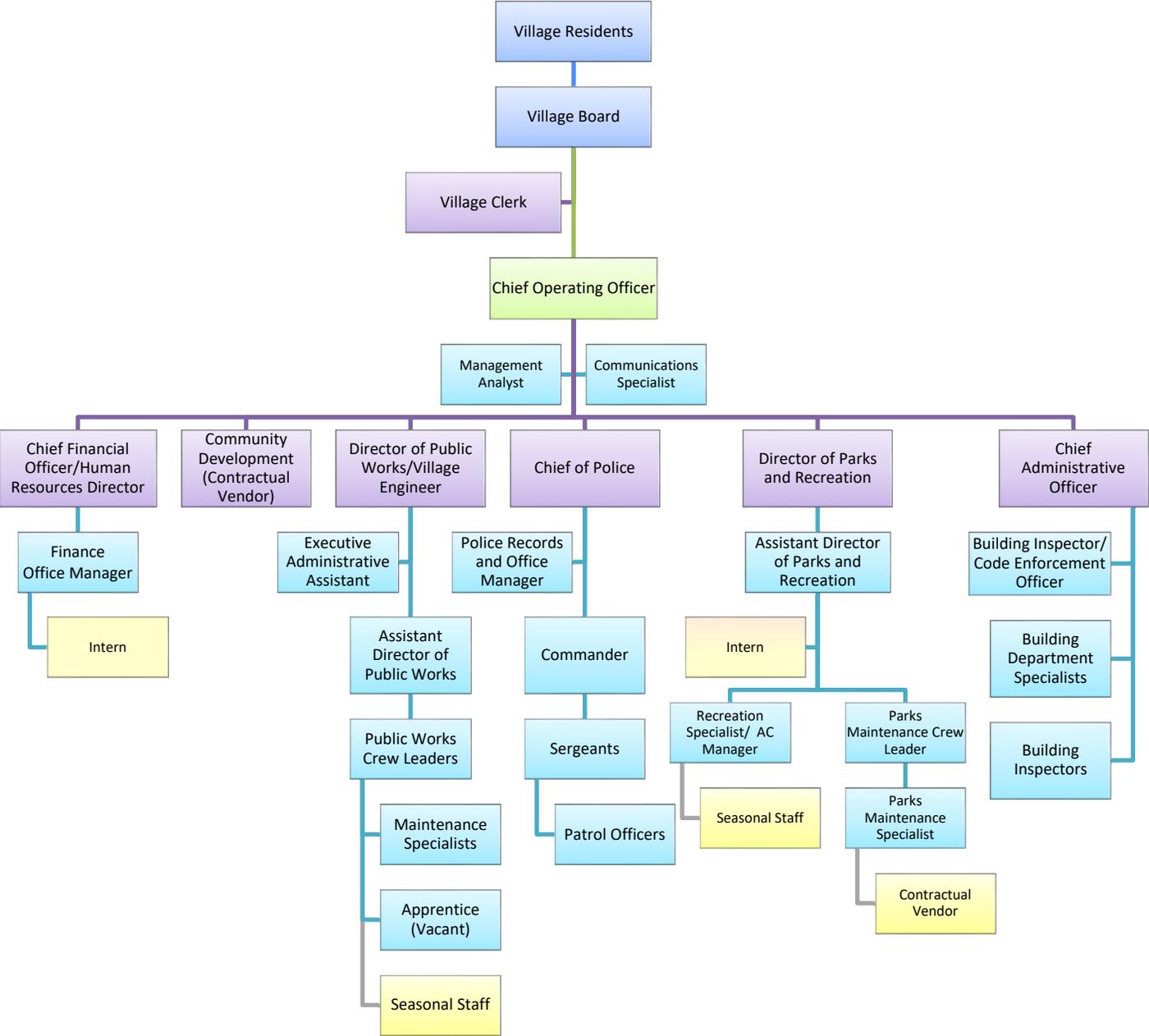
Chief Financial Officer  
Katreina York, MBA, MSA

Chief of Police  
Jennifer Paulus, CPC (ILACP Certified Police Chief)

Director of Public Works/Village Engineer  
Erika Frable, PE

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

# Village of Hawthorn Woods – Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

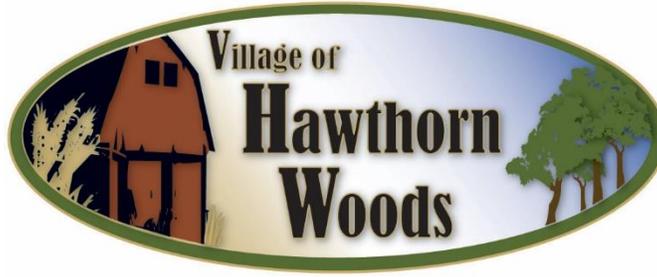
**Village of Hawthorn Woods  
Illinois**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



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

May 11, 2021

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, 2020, 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, 2020. 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 8,348, as a result of the special census conducted in the fall of 2017. The Village covers an area of 7½ square miles and is located in Lake County, Illinois, approximately 30 miles northwest of

Chicago. Hawthorn Woods is an upscale, predominantly residential community that prides itself on the high quality of living it affords its residents. Hawthorn Woods has consistently ranked among the top Chicago area communities in per capita income and median home value. A relatively substantial amount of the 7½ square miles within the Village's boundaries is still undeveloped. The Village is actively pursuing means to spur development, 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**

It should be made clear that the 2020 pandemic year was met with unprecedented challenges. Very early in the pandemic, the Village made adjustments to defer spending, furlough or not hire seasonal employees, and suspend Aquatic operations. A hiring freeze was initiated for most vacant positions. The Village adjusted spending based on phased regulatory allowances as mandated by the Governor's orders for sports, programs, and events. Revenues suffered as many of our programs went virtual or were cancelled. The Police Department revenue was down as fewer cars were on the road for violation fine collections and officer safety measures were put into practice. The Village was pleased to receive \$365,000 toward pandemic expenses and losses from The Cares Act, which assisted the Village in financial recovery from revenue losses, salaries and overtime, and financial shortfalls that were directly related to reduced revenue projections.

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. 2020 was an unprecedented year due to the global pandemic, but one positive financial impact can be highlighted. With many residents

working from home and schools in remote learning modes, there was a significant increase in home building permits to accommodate the increased need for home additions and remodeling. The Village continues to have a strong new housing market, having issued 90 new home permits in 2020, 57 new home permits in 2019, 84 new home permits in 2018, 65 new home permits in 2017, 78 new home permits in 2016, 74 new home permits in 2015, and 36 new home permits in 2014.

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 and McDonalds. Additional revenue may be generated in the future as one of the remaining parcels developed into a Mariano's gas station. 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.

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

The budget for the twelve months ended December 31, 2021, is balanced. The focus for managing the 2021 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, 2020, the fund balance in the general fund is \$2,484,926, which is equal to 58.1% of the 2021 expenditure budget. This balance exceeds the Village's goal of 35% 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 created a citizen task force comprised of Homeowners Association representatives, business leaders, civic leaders and other stake holders to guide how to fund the highest priority streets and drainage needs. As a result of the citizen task force recommendation, the Village Board voted to propose a bond referendum question to the public for the March 17, 2020, election. Unfortunately, this election was timed as the pandemic began shutting down the local economy, and the referendum failed to pass. The Village is considering a second attempted tax rate increase proposed to fund a Village-wide streets and drainage improvement project to repair and replace aging infrastructure in 2022.

### **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.

## 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. To meet that goal, the Village has hired a Community and Economic Development Director to lead us in attracting commercial and business development.

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 has eliminated concern regarding meeting the water supply and storage requirements of our growing community.

Hawthorn Woods continues to be a leader in the Lake County area in new housing construction starts 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. William Ryan Homes is constructing a development of 60 new homes known as the **Stonebridge** development located off of Old McHenry Road. 41 lots remain to be built with single family homes out of an approved 60 homes.
2. Additionally, at the southern border of the Village at Route 22 and Quentin Road, Icon Homes has started construction on a new urban design single family home product in the **Hawthorn Trails Phase 3** subdivision. 27 homes are still remaining to be built out of 37 homes approved.
3. Construction of a retail/commercial 5-acre parcel at the corner of Quentin Road and Route 22 is complete. The Kiddie Academy child care center is currently open for business.
4. Construction continues for a new housing development known as the **Villas at the Commons** by K. Hovanian Homes on Midlothian Road. 72 new single-family home lots will be built as a part of this new subdivision. Home construction is currently underway, with expected buildout at the end of 2021.
5. **High Point Estates** was also approved in 2018 as a neighborhood of duplexes in the northern part of Hawthorn Woods. Construction has been completed with only one home left for sale in the development. MI Homes is the current developer. We expect this development to close out this year.
6. One of our largest developments, **Hawthorn Hills**, is in its last buildout phase with all lots sold out of 220 approved single-family homes. Pulte Homes is the developer and we anticipate this subdivision closing out this year.

## **Awards and Acknowledgements**

In 2018, 2019, Hawthorn Woods was selected as the National Champion Community by the America in Bloom Foundation. In 2020, Hawthorn Woods won national Championship in Environmental Efforts. 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, in 2020, the Village received the high honor of receiving the Audubon International Green Planning Award and Sustainable Community Award. The Village continues its three-year plan to become the first community in the State of Illinois to achieve the Audubon Community Award, which recognizes excellence in planning efforts with sustainable principles.

New in 2020 was the 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.

The Village received several additional acknowledgements in 2019 and 2020, including among 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 comprehensive annual report for the year ended December 31, 2019. This was the fifteenth (15th) consecutive year the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

We express our appreciation to former Mayor Joseph Mancino who stepped down in 2020 and current 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 would also like to express our appreciation to former Chief Financial Officer Kristin Kazenas as well as acknowledge the efforts of our interim Chief Financial Officer David Clark

during the transition of welcoming our new Chief Financial Officer, Katreina York. We are pleased to present to you the Comprehensive Annual Financial Report as we continue to pursue our goal of increasing cash reserves, controlling expenditures, and operating municipal services with excellence within a balanced budget while recovering from the financial impact of a global pandemic.

Respectfully Submitted,



Pamela O. Newton, MSOL  
Chief Operating Officer



Katreina S. York  
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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois (the Village), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois, as of December 31, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
May 11, 2021

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

**SIKICH.COM**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hawthorn Woods, Illinois (the Village), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich LLP*

Naperville, Illinois  
May 11, 2021

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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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, 2020. Please read it in conjunction with the transmittal letter, which begins on page iv and the Village's financial statements, which begin on page 6.

### FINANCIAL HIGHLIGHTS

- The Village's total net position was \$13,590,369 as of December 31, 2020. Unrestricted net position (net position used to meet ongoing operations) totaled \$(1,372,533). Restricted net position totaled \$1,551,929 and net position invested in capital assets totaled \$13,410,973.
- The Village's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$224,838, or 4.4 percent; and net position of the governmental activities decreased by \$262,472, or 2.9 percent.
- Capital assets net of depreciation totaled \$14,934,739 as of December 31, 2020, a decrease of \$126,460, due primarily to depreciation expense for the year ended December 31, 2020 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 6-9) 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 10. 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.

### 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 6-9 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.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

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.

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.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

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, Park Donation Fund, Capital Improvements Fund, and the Debt Service Fund, all of which are considered major funds. The Village also reports one non-major governmental fund: the Sister Cities Fund.

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 10-14 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 15-17 of this report.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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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 18-19 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 20-54 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 55-65 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 66-78 of this report.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Hawthorn Woods, assets exceeded liabilities by \$13,590,369.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
Current and Other Assets	\$ 8,002,877	\$ 8,912,368	\$ 1,495,305	\$ 1,657,334	\$ 9,498,182	\$ 10,569,702
Capital Assets	9,790,016	9,751,786	5,144,723	5,309,413	14,934,739	15,061,199
Total Assets	17,792,893	18,664,154	6,640,028	6,966,747	24,432,921	25,630,901
Deferred Outflows	1,160,044	1,378,627	67,845	80,597	1,227,889	1,459,224
Total Assets & Deferred Outflows	18,952,937	20,042,781	6,707,873	7,047,344	25,660,810	27,090,125
Other Liabilities	1,699,421	1,810,169	242,780	186,815	1,942,201	1,996,984
Long-Term Debt	4,792,260	6,368,857	1,545,432	1,720,343	6,337,692	8,089,200
Total Liabilities	6,491,681	8,179,026	1,788,212	1,907,158	8,279,893	10,086,184
Deferred Inflows	3,776,008	2,916,035	14,540	10,227	3,790,548	2,926,262
Total Liabilities & Deferred Inflows	10,267,689	11,095,061	1,802,752	1,917,385	12,070,441	13,012,446
Net Position						
Invested in Capital Assets	9,790,016	9,751,786	3,620,957	3,617,439	13,410,973	13,369,225
Restricted	1,191,110	890,855	360,819	360,288	1,551,929	1,251,143
Unrestricted (Deficit)	(2,295,878)	(1,694,921)	923,345	1,152,232	(1,372,533)	(542,689)
Total Net Position	\$ 8,685,248	\$ 8,947,720	\$ 4,905,121	\$ 5,129,959	\$ 13,590,369	\$ 14,077,679

A large portion of the Village's net position, \$13,410,973 or 98.7 percent, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$1,551,929 or 11.4 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, 2020, the Village is reporting unrestricted net position of \$(1,372,533) or (10.1) 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, 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,442,409	\$ 2,037,753	\$ 571,747	\$ 818,744	\$ 2,014,156	\$ 2,856,497
Operating Grants/Contrib.	692,224	271,689	-	-	692,224	271,689
Capital Grants/Contrib.	219,269	149,796	-	-	219,269	149,796
General Revenues						
Property Taxes	2,267,045	2,175,679	-	-	2,267,045	2,175,679
Road and Bridge Taxes	16,999	17,092	-	-	16,999	17,092
Sales Taxes	211,744	199,368	-	-	211,744	199,368
Income and Use Taxes	1,269,258	1,171,378	-	-	1,269,258	1,171,378
Replacement Taxes	1,756	2,100	-	-	1,756	2,100
Telecomm./Utility Taxes	489,656	509,656	-	-	489,656	509,656
Other General Revenues	369,817	437,602	3,511	7,349	373,328	444,951
Total Revenues	6,980,177	6,972,113	575,258	826,093	7,555,435	7,798,206
<b>Expenses</b>						
General Government	1,970,667	2,324,191	-	-	1,970,667	2,324,191
Building and Zoning	736,740	1,177,936	-	-	736,740	1,177,936
Public Safety	2,057,899	2,289,091	-	-	2,057,899	2,289,091
Public Works	977,754	932,058	-	-	977,754	932,058
Parks and Recreation	1,184,664	1,161,028	-	-	1,184,664	1,161,028
Interest on Long-Term Debt	56,660	78,340	-	-	56,660	78,340
Aquatics	-	-	447,028	739,763	447,028	739,763
Sewer	-	-	611,333	446,573	611,333	446,573
Total Expenses	6,984,384	7,962,644	1,058,361	1,186,336	8,042,745	9,148,980
<b>Change in Net Position</b>						
Before Transfers	(4,207)	(990,531)	(483,103)	(360,243)	(487,310)	(1,350,774)
Transfers	(258,265)	(254,733)	258,265	254,733	-	-
Change in Net Position	(262,472)	(1,245,264)	(224,838)	(105,510)	(487,310)	(1,350,774)
Net Position-Beginning	8,947,720	10,192,984	5,129,959	5,235,469	14,077,679	15,428,453
Net Position-Ending	\$ 8,685,248	\$ 8,947,720	\$ 4,905,121	\$ 5,129,959	\$ 13,590,369	\$ 14,077,679

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

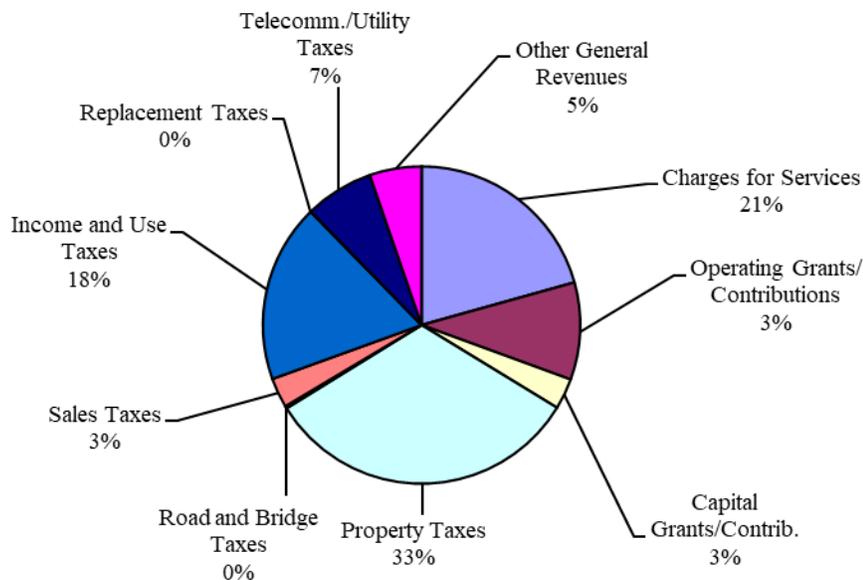
Net position of the Village's governmental activities decreased by 2.9 percent (\$8,685,248 as of December 31, 2020 compared to \$8,947,720, as of December 31, 2019). Consistent with the prior year, there was diligent budget monitoring efforts by management, including delaying expenditures until adequate revenues were received, supplemented by new revenue sources.

Net position of business-type activities decreased by 4.6 percent (\$4,905,121 as of December 31, 2020 compared to \$5,129,959 as of December 31, 2019). The aquatic net position decreased by \$188,108 as of December 31, 2020 due primarily to fact that the aquatic center operating revenues of \$72 were insufficient to cover the operating expenses of the facility, including depreciation expense of \$177,120 and the interest expense on the revenue bonds of \$84,557. In addition, due to the COVID-19 pandemic and safety concerns, the aquatic center was not open to the public for the 2020 season. The sewer fund net position decreased by \$36,730 due to the intergovernmental expense of connections fees paid to neighboring municipalities although there were significant connection fees of \$571,675 from new home development.

### Governmental Activities

Revenues for governmental activities totaled \$6,980,177, while the cost of all governmental functions totaled \$6,984,384. This results in a decrease in net position before transfers of \$4,207. For the year ended December 31, 2019, revenues of \$6,972,113 were less than expenses of \$7,962,644, resulting in a decrease in net position before transfers of \$990,531. 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.

**Revenues by Source -  
Governmental Activities December 31, 2020**



# VILLAGE OF HAWTHORN WOODS, ILLINOIS

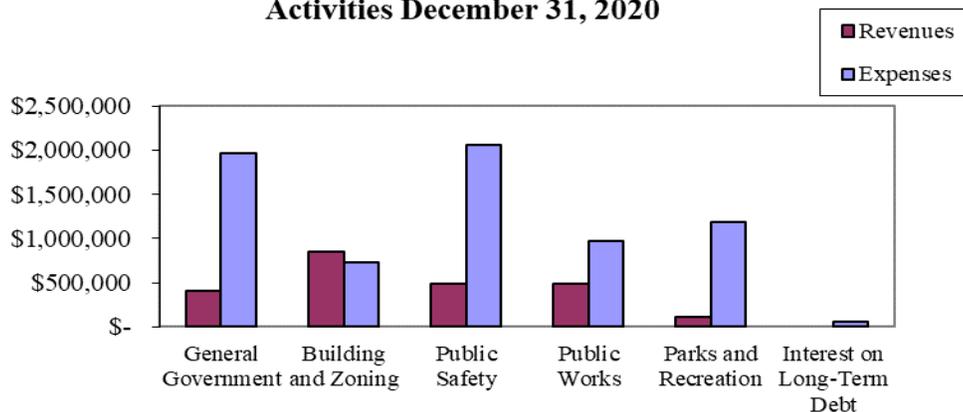
## Management's Discussion and Analysis December 31, 2020

### 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, 2020**

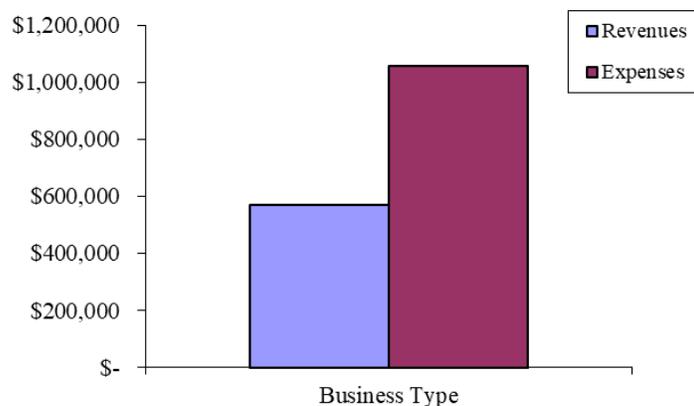


#### Business-Type activities

Business-Type activities posted total revenues of \$818,744, while the cost of all business-type activities totaled \$1,186,336. This results in a decrease in net position before transfers of \$360,243. The primary reason for this decrease is attributable to the depreciation expense, principal and interest payments and operations of the aquatic center facility and the sewer system. For the year ended December 31, 2020, total revenues of \$575,258 were less than expenses of \$1,058,361, resulting in a decrease in net position before transfers of \$483,103.

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

**Expenses and Program Revenues - Business-  
Type Activities December 31, 2020**



# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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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 \$4,762,478, which is \$869,364 or 15.4 percent, lower than last year's total of \$5,631,842. Of the \$4,762,478 total, \$58,133, or 1.2 percent, of the fund balance constitutes nonspendable fund balance; \$2,726,110 or 50.9 percent of the fund balance is restricted for highways and streets, debt service, capital improvements, and special recreation; \$1,837,502, or 38.6 percent of the fund balance is assigned for cash reserves, capital improvements and the sister cities program; and \$140,733 or 3.0 percent is unassigned.

The General Fund reported an increase in fund balance for the year ended December 31, 2020, of \$279,607, an increase of 12.7 percent. As of December 31, 2020, the Village achieved its fund balance goal of an ending fund balance at least 35% of the following year's expenditure budget; \$1,495,192 of the ending fund balance in the General Fund is assigned for cash reserves.

The Motor Fuel Tax special revenue fund is used to account for state motor fuel tax allotment revenue and expenditures related to road repair and construction. These funds are restricted for road repair and construction. The Motor Fuel Tax Fund reported an increase in fund balance in the current year of \$227,128. Ending fund balance at December 31, 2020, was \$504,412.

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 \$42,799 due primarily to salary allocations for Village Staff. License, permits and fees revenues were \$346,354 higher than budgeted. Expenditures were \$124,085 higher than budgeted due to increased inspections required by the additional permit revenue, additional economic development activities related to land use issues and a priority based budget insurance allocation which more accurately and transparently allocated insurance related costs to the appropriate funds and functions that incur these costs. Ending fund balance at December 31, 2020 was \$324,990.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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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 \$197,983 due primarily to the ADA accessibility projects, including a planned new park and arboretum as well as the COVID-19 pandemic and safety concerns related to social gatherings. Ending fund balance at December 31, 2020 was (\$175,455).

The Park Donation Fund is used to account for developer donations to be used for park maintenance or improvements to neighborhood or community parks. These funds are reserved for future capital improvements and debt service payments on the Aquatic Center Bonds. The Park Donation Fund reported an increase in fund balance in the current year of \$2,075 due primarily to donations in excess of the transfer of the park donation revenue to the Aquatic Center Fund, as required by the bond covenants. Ending fund balance at December 31, 2020 was \$10,942.

The Capital Improvements Fund is used to account for expenditures for capital improvements which are funded by transfers from other funds. The Capital Improvements Fund reported a decrease in fund balance of \$370,778. Ending fund balance at December 31, 2020 was \$8,027.

The Debt Service Fund is used to account for the \$6,240,000 2014 debt certificates. In November 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, and are not an obligation of the Village. Ending fund balance at December 31, 2020, was \$1,595,343.

#### 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 and the Sewer 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 \$188,108. The primary reason for this decrease is attributable to depreciation expense of \$177,120 and interest expense of \$84,557. Unrestricted net position in the Aquatics Fund totaled (\$487,719) at December 31, 2020.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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

#### Proprietary Funds – Continued

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 \$36,730. The primary reason for the decrease is due to the intergovernmental expense of connections fees paid to neighboring municipalities. Unrestricted net position in the Sewer Fund totaled \$1,411,064 at December 31, 2020.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$4,646,653, compared to budgeted revenues of \$4,436,621. Although total revenues were higher than budgeted, the primary reason is due to the CARES Act reimbursement: revenues were \$210,032 higher than budgeted. Due to the COVID-19 pandemic, the positive revenue variances were offset by negative variances in licenses and fees (\$130,448 lower than budgeted), and miscellaneous revenues (\$37,967 lower than budgeted), and taxes (\$108,137 lower than budgeted).

The General Fund actual expenditures for the year were \$52,149 lower than budgeted (\$4,284,281 actual compared to a final budget of \$4,336,430). Some significant differences between the actual expenditures and budgeted expenditures are highlighted below:

- The administration function reported actual expenditures of \$429,171 compared to budget of \$490,070, resulting in a positive variance of \$60,899. This positive variance was primarily due to the analyzed salary allocations in conjunction with or priority-based budgeting.
- The legal function reported actual expenditures of \$303,881 compared to budget of \$220,750, resulting in a negative variance of \$83,131. This variance was primarily due to ongoing litigation.
- The risk management function reported actual expenditures of \$411,239 compared to budgeted expenditures of \$474,779 resulting in a positive variance of \$63,540. This positive variance was primarily premium savings experienced in general liability, workers compensation and unemployment premiums.
- The police function reported actual expenditures of \$2,005,546, compared to budgeted expenditures of \$2,054,595, resulting in a positive variance of \$49,049.
- The public works function reported actual expenditures of \$736,670 compared to budgeted expenditures of \$664,726 resulting in a negative variance of \$71,944. This positive variance was primarily due to the purchase of a vehicle.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## Management's Discussion and Analysis December 31, 2020

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### 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, 2020 was \$14,934,739 (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 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
Land	\$ 6,557,081	\$ 6,557,081	\$ 417,459	\$ 417,459	\$ 6,974,540	\$ 6,974,540
Construction In Progress	20,891	20,891	-	-	20,891	20,891
Sanitary Sewer System	-	-	1,810,774	1,877,840	1,810,774	1,877,840
Buildings and Improvements	2,196,260	2,454,577	2,781,453	2,942,505	4,977,713	5,397,082
Equipment and Vehicles	1,015,784	719,237	135,037	71,609	1,150,821	790,846
Total	\$ 9,790,016	\$ 9,751,786	\$ 5,144,723	\$ 5,309,413	\$ 14,934,739	\$ 15,061,199

Capital additions were as follows:

#### Governmental Activities

Buildings and Improvements	\$ 31,000
Equipment and Vehicles	477,820
Total	<u>508,820</u>

#### Business-Type Activities

Equipment and Vehicles	<u>\$ 82,215</u>
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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, 2020

### Debt Administration

At year-end, the Village had total outstanding debt of \$3,075,000 as compared to \$3,975,000 the previous year. During 2020, 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 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
Revenue Bonds	\$ -	\$ -	\$ 1,540,000	\$ 1,710,000	\$ 1,540,000	\$ 1,710,000
Debt Certificates	1,535,000	2,265,000	-	-	1,535,000	2,265,000
Total	\$ 1,535,000	\$ 2,265,000	\$ 1,540,000	\$ 1,710,000	\$ 3,075,000	\$ 3,975,000

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 \$40,846,533.

On March 16, 2012, the Village issued \$3,000,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2014 to refund the \$2,570,000 of the Revenue Bonds (Aquatic Center Project), Series 2007. The Series 2007 bond payments were to be made primarily from park donation fees. Due to the downturn in the economy, the anticipated park donation fees did not materialize, jeopardizing the Village's ability to make the scheduled debt payments. The Series 2014 refunding bonds were issued to ensure the Village's ability to make the required debt payments, as follows: 1) extending the term of the bonds from 15 years to 18 years, 2) adding a new utility tax revenue pledge to provide a sustainable revenue source to fund the debt payments, and 3) restructuring the principal payments more evenly.

On November 12 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.

Additional information on the Village's long-term debt can be found in Note 5 on pages 32-35 of this report.

# **VILLAGE OF HAWTHORN WOODS, ILLINOIS**

## **Management's Discussion and Analysis December 31, 2020**

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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, 2020 and December 31, 2021, 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, 2020 and December 31, 2021.

Throughout the 2020 fiscal year, the Village was presented with many challenges due to the unprecedented global health crisis and phased recovery opportunities related to the COVID-19 pandemic. The Village pivoted back in March 2020 to reinvent a modified budget, while carrying on essential services, programs, and departmental functions for our residents while keeping a safe workforce.

### **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.

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2020

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 5,171,247	\$ 1,578,549	\$ 6,749,796
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,375,059	-	2,375,059
Utility tax	35,576	-	35,576
Cannabis taxes	923	-	923
Accounts	3,872	22,572	26,444
Court fines	4,072	-	4,072
Grant	43,053	-	43,053
Prepaid expenses	31,758	-	31,758
Due from other governments			
Sales tax	37,647	-	37,647
Sales tax sharing	8,969	-	8,969
Use tax	98,219	-	98,219
Franchise tax	35,431	-	35,431
Telecommunication tax	24,751	-	24,751
Motor fuel tax	26,484	-	26,484
Internal balances	105,816	(105,816)	-
Capital assets not being depreciated	6,577,972	417,459	6,995,431
Capital assets (net of accumulated depreciation)	3,212,044	4,727,264	7,939,308
<b>Total assets</b>	<b>17,792,893</b>	<b>6,640,028</b>	<b>24,432,921</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - Police Pension Plan	673,831	-	673,831
Pension items - IMRF	486,213	44,704	530,917
Unamortized loss on refunding	-	23,141	23,141
<b>Total deferred outflows of resources</b>	<b>1,160,044</b>	<b>67,845</b>	<b>1,227,889</b>
<b>Total assets and deferred outflows of resources</b>	<b>18,952,937</b>	<b>6,707,873</b>	<b>25,660,810</b>
<b>LIABILITIES</b>			
Accounts payable	197,816	48,546	246,362
Wages payable	79,800	1,738	81,538
Unearned revenue	29,888	11,200	41,088
Deposits payable	621,153	-	621,153
Long-term liabilities			
Due within one year	770,764	181,296	952,060
Due in more than one year	4,792,260	1,545,432	6,337,692
<b>Total liabilities</b>	<b>6,491,681</b>	<b>1,788,212</b>	<b>8,279,893</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - Police Pension Plan	1,306,119	-	1,306,119
Pension items - IMRF	158,147	14,540	172,687
Deferred revenue - property taxes	2,311,742	-	2,311,742
<b>Total deferred inflows of resources</b>	<b>3,776,008</b>	<b>14,540</b>	<b>3,790,548</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>10,267,689</b>	<b>1,802,752</b>	<b>12,070,441</b>

(This statement is continued on the following page.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2020

	<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	\$ 9,790,016	\$ 3,620,957	\$ 13,410,973
Restricted for			
Highways and streets	504,412	-	504,412
Debt service	71,285	261,256	332,541
Repairs and maintenance	-	99,563	99,563
Special recreation	615,413	-	615,413
Unrestricted (deficit)	(2,295,878)	923,345	(1,372,533)
<b>TOTAL NET POSITION</b>	<b>\$ 8,685,248</b>	<b>\$ 4,905,121</b>	<b>\$ 13,590,369</b>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,970,667	\$ 373,975	\$ -	\$ 33,602
Building and zoning	736,740	856,749	-	-
Public safety	2,057,899	96,455	377,026	10,406
Public works	977,754	-	315,198	175,261
Parks and recreation	1,184,664	115,230	-	-
Interest	56,660	-	-	-
Total governmental activities	6,984,384	1,442,409	692,224	219,269
Business-Type Activities				
Aquatics	447,028	72	-	-
Sewer	611,333	571,675	-	-
Total business-type activities	1,058,361	571,747	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 8,042,745</b>	<b>\$ 2,014,156</b>	<b>\$ 692,224</b>	<b>\$ 219,269</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
	\$ (1,563,090)	\$ -	\$ (1,563,090)
	120,009	-	120,009
	(1,574,012)	-	(1,574,012)
	(487,295)	-	(487,295)
	(1,069,434)	-	(1,069,434)
	(56,660)	-	(56,660)
	(4,630,482)	-	(4,630,482)
	-	(446,956)	(446,956)
	-	(39,658)	(39,658)
	-	(486,614)	(486,614)
	(4,630,482)	(486,614)	(5,117,096)
General Revenues			
Taxes			
Property	2,267,045	-	2,267,045
Road and bridge	16,999	-	16,999
Sales	211,744	-	211,744
Telecommunication and utility	489,656	-	489,656
Amusement	1,148	-	1,148
Cannabis	5,768	-	5,768
Intergovernmental			
Income	907,169	-	907,169
Use	362,089	-	362,089
Replacement	1,756	-	1,756
Investment income	31,602	3,511	35,113
Miscellaneous	331,299	-	331,299
Transfers in (out)	(258,265)	258,265	-
Total	4,368,010	261,776	4,629,786
CHANGE IN NET POSITION	(262,472)	(224,838)	(487,310)
NET POSITION, JANUARY 1	8,947,720	5,129,959	14,077,679
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 8,685,248</b>	<b>\$ 4,905,121</b>	<b>\$ 13,590,369</b>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2020

	Special Revenue			Capital Projects		Debt Service	Nonmajor Governmental Sister Cities	Total Governmental Funds	
	General	Motor Fuel Tax	Community Development	Parks and Recreation	Park Donation				Capital Improvements
<b>ASSETS</b>									
Cash and investments	\$ 2,406,497	\$ 488,018	\$ 661,154	\$ -	\$ 10,942	\$ -	\$ 1,595,343	\$ 9,293	\$ 5,171,247
Receivables									
Property taxes	1,878,516	-	-	496,543	-	-	-	-	2,375,059
Utility taxes	35,576	-	-	-	-	-	-	-	35,576
Cannabis taxes	923	-	-	-	-	-	-	-	923
Accounts	3,665	-	375	(168)	-	-	-	-	3,872
Court fines	4,072	-	-	-	-	-	-	-	4,072
Grant	-	-	-	-	-	43,053	-	-	43,053
Prepaid items	31,758	-	-	-	-	-	-	-	31,758
Due from other governments									
Municipal sales tax	37,647	-	-	-	-	-	-	-	37,647
Sales tax sharing	8,969	-	-	-	-	-	-	-	8,969
Illinois use tax	98,219	-	-	-	-	-	-	-	98,219
Franchise tax	35,431	-	-	-	-	-	-	-	35,431
Telecommunication tax	24,751	-	-	-	-	-	-	-	24,751
Motor fuel tax	-	26,484	-	-	-	-	-	-	26,484
Advance to other funds	26,375	-	-	-	-	-	-	-	26,375
Due from other funds	385,950	-	-	-	-	52,250	-	-	438,200
<b>TOTAL ASSETS</b>	<b>\$ 4,978,349</b>	<b>\$ 514,502</b>	<b>\$ 661,529</b>	<b>\$ 496,375</b>	<b>\$ 10,942</b>	<b>\$ 95,303</b>	<b>\$ 1,595,343</b>	<b>\$ 9,293</b>	<b>\$ 8,361,636</b>

	Special Revenue			Capital Projects		Debt Service	Nonmajor Governmental Sister Cities	Total Governmental Funds
	General	Motor Fuel Tax	Community Development	Parks and Recreation	Park Donation			
<b>LIABILITES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 99,533	\$ 4,414	\$ 52,575	\$ 38,633	\$ -	\$ 2,661	\$ -	\$ 197,816
Wages payable	60,035	5,676	8,679	5,410	-	-	-	79,800
Deposits payable	448,868	-	169,185	3,100	-	-	-	621,153
Unearned revenue	4,288	-	600	-	-	25,000	-	29,888
Due to other funds	52,323	-	105,500	141,321	-	59,615	-	358,759
Total liabilities	665,047	10,090	336,539	188,464	-	87,276	-	1,287,416
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes	1,828,376	-	-	483,366	-	-	-	2,311,742
Total deferred inflows of resources	1,828,376	-	-	483,366	-	-	-	2,311,742
Total liabilities and deferred inflows of resources	2,493,423	10,090	336,539	671,830	-	87,276	-	3,599,158
<b>FUND BALANCES</b>								
Nonspendable								
Prepaid items	31,758	-	-	-	-	-	-	31,758
Advance to other funds	26,375	-	-	-	-	-	-	26,375
Restricted								
Highways and streets	-	504,412	-	-	-	-	-	504,412
Debt service	-	-	-	-	10,942	-	1,595,343	1,606,285
Special recreation	-	-	-	615,413	-	-	-	615,413
Assigned								
Cash reserves	1,495,192	-	-	-	-	-	-	1,495,192
Capital improvements	-	-	324,990	-	-	8,027	-	333,017
Sister Cities	-	-	-	-	-	-	9,293	9,293
Unassigned (deficit)	931,601	-	-	(790,868)	-	-	-	140,733
Total fund balances (deficit)	2,484,926	504,412	324,990	(175,455)	10,942	8,027	9,293	4,762,478
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
	\$ 4,978,349	\$ 514,502	\$ 661,529	\$ 496,375	\$ 10,942	\$ 95,303	\$ 9,293	\$ 8,361,636

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, 2020

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 4,762,478
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	9,790,016
Long-term liabilities (debt certificates) are not due and payable in the current period and, therefore, not reported in the governmental funds	(1,535,000)
The premium on debt issued is shown as a liability on the statement of net position	(17,629)
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,244,117)
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	486,213
Deferred inflows of resources	(158,147)
The net pension liability for the Police Pension Plan is shown as a liability on the statement of net position	(2,269,568)
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	673,831
Deferred inflows of resources	(1,306,119)
The OPEB liability is shown as a liability on the statement of net position	(463,805)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(32,905)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 8,685,248</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, 2020

	Special Revenue			Capital Projects		Debt Service	Nonmajor Governmental Sister Cities	Total Governmental Funds	
	General	Motor Fuel Tax	Community Development	Parks and Recreation	Park Donation				Capital Improvements
<b>REVENUES</b>									
Taxes	\$ 2,453,990	\$ -	\$ -	\$ 480,884	\$ -	\$ -	\$ -	\$ 2,934,874	
Licenses, permits and fees	464,912	-	1,033,529	116,130	-	-	-	1,614,571	
Intergovernmental	1,705,526	490,459	-	-	-	33,602	-	2,229,587	
Investment income	7,842	566	1,340	129	32	405	10	31,602	
Miscellaneous	14,383	-	55,197	-	94,335	5,278	350	169,543	
Total revenues	4,646,653	491,025	1,090,066	597,143	94,367	39,285	21,278	6,980,177	
<b>EXPENDITURES</b>									
Current									
General government	1,519,340	-	332,533	-	-	-	-	1,851,873	
Building and zoning	22,725	-	686,861	-	-	-	-	709,586	
Public safety	2,005,546	-	-	-	-	-	-	2,005,546	
Public works	736,670	263,897	-	-	-	-	-	1,000,567	
Parks and recreation	-	-	113,471	705,126	-	-	-	818,597	
Capital outlay	-	-	-	-	-	410,063	-	410,063	
Debt service									
Principal	-	-	-	-	-	-	730,000	730,000	
Interest and fiscal charges	-	-	-	-	-	-	65,044	65,044	
Total expenditures	4,284,281	263,897	1,132,865	705,126	-	410,063	795,044	7,591,276	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	362,372	227,128	(42,799)	(107,983)	94,367	(370,778)	(773,766)	360	(611,099)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	90,000	-	-	-	-	-	-	90,000	
Transfers (out)	(172,765)	-	-	(90,000)	(85,500)	-	-	(348,265)	
Total other financing sources (uses)	(82,765)	-	-	(90,000)	(85,500)	-	-	(258,265)	
NET CHANGE IN FUND BALANCES	279,607	227,128	(42,799)	(197,983)	8,867	(370,778)	(773,766)	360	(869,364)
FUND BALANCES, JANUARY 1	2,205,319	277,284	367,789	22,528	2,075	378,805	2,369,109	8,933	5,631,842
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<b>\$ 2,484,926</b>	<b>\$ 504,412</b>	<b>\$ 324,990</b>	<b>\$ (175,455)</b>	<b>\$ 10,942</b>	<b>\$ 8,027</b>	<b>\$ 1,595,343</b>	<b>\$ 9,293</b>	<b>\$ 4,762,478</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, 2020

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<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ (869,364)</b>
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	508,820
Principal paid on debt certificates is an expenditure in the governmental funds but is a decrease in the principal outstanding on the statement of net position	730,000
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(470,590)
The amortization of premiums on long-term debt is reported as an expense on the statement of activities	8,384
The change in the OPEB liability is shown as an expense on the statement of activities	(156,037)
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	(58,677)
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	52,248
The change in compensated absences payable is shown as a increase in expense on the statement of activities	<u>(7,256)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (262,472)</u></u></b>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2020

	Aquatics	Sewer	Eliminations	Total Enterprise Funds
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 92,405	\$ 1,486,144	\$ -	\$ 1,578,549
Accounts receivable	1,513	21,059	-	22,572
Advance to other funds	-	40,021	(40,021)	-
Total current assets	93,918	1,547,224	(40,021)	1,601,121
<b>NONCURRENT ASSETS</b>				
Capital assets				
Capital assets not being depreciated	417,459	-	-	417,459
Capital assets being depreciated, net	2,782,602	1,944,662	-	4,727,264
Net capital assets	3,200,061	1,944,662	-	5,144,723
Total noncurrent assets	3,200,061	1,944,662	-	5,144,723
Total assets	3,293,979	3,491,886	(40,021)	6,745,844
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items - IMRF	25,643	19,061	-	44,704
Unamortized loss on refunding	23,141	-	-	23,141
Total deferred outflows of resources	48,784	19,061	-	67,845
Total assets and deferred outflows of resources	3,342,763	3,510,947	(40,021)	6,813,689
<b>CURRENT LIABILITIES</b>				
Accounts payable	8,132	40,414	-	48,546
Wages payable	993	745	-	1,738
Unearned revenues - other	11,200	-	-	11,200
Due to other funds	53,066	26,375	-	79,441
Other postemployment benefits	648	648	-	1,296
Revenue bonds payable	180,000	-	-	180,000
Total current liabilities	254,039	68,182	-	322,221
<b>NONCURRENT LIABILITIES</b>				
Advance from other funds	66,396	-	(40,021)	26,375
IMRF net pension liability	65,616	48,770	-	114,386
Other postemployment benefits	32,069	32,070	-	64,139
Net revenue bonds payable	1,366,907	-	-	1,366,907
Total noncurrent liabilities	1,530,988	80,840	(40,021)	1,571,807
Total liabilities	1,785,027	149,022	(40,021)	1,894,028
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF	8,341	6,199	-	14,540
Total deferred inflows of resources	8,341	6,199	-	14,540
Total liabilities and deferred inflows of resources	1,793,368	155,221	(40,021)	1,908,568
<b>NET POSITION</b>				
Net investment in capital assets	1,676,295	1,944,662	-	3,620,957
Restricted for debt service	261,256	-	-	261,256
Restricted for repairs and maintenance	99,563	-	-	99,563
Unrestricted (deficit)	(487,719)	1,411,064	-	923,345
<b>TOTAL NET POSITION</b>	<b>\$ 1,549,395</b>	<b>\$ 3,355,726</b>	<b>\$ -</b>	<b>\$ 4,905,121</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, 2020

	<b>Aquatics</b>	<b>Sewer</b>	<b>Total Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for service	\$ 72	\$ 571,675	\$ 571,747
Total operating revenues	<u>72</u>	<u>571,675</u>	<u>571,747</u>
<b>OPERATING EXPENSES</b>			
Personnel services	125,675	147,763	273,438
Contractual services	49,337	101,035	150,372
Commodities	5,590	5,798	11,388
Maintenance	4,749	14,112	18,861
Depreciation	177,120	69,785	246,905
Total operating expenses	<u>362,471</u>	<u>338,493</u>	<u>700,964</u>
OPERATING INCOME (LOSS)	<u>(362,399)</u>	<u>233,182</u>	<u>(129,217)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	583	2,928	3,511
Intergovernmental expense	-	(272,840)	(272,840)
Interest expense	(84,557)	-	(84,557)
Total non-operating revenues (expenses)	<u>(83,974)</u>	<u>(269,912)</u>	<u>(353,886)</u>
NET (LOSS) BEFORE TRANSFERS	<u>(446,373)</u>	<u>(36,730)</u>	<u>(483,103)</u>
<b>TRANSFERS</b>			
Transfers in	258,265	-	258,265
Total transfers	<u>258,265</u>	<u>-</u>	<u>258,265</u>
CHANGE IN NET POSITION	<u>(188,108)</u>	<u>(36,730)</u>	<u>(224,838)</u>
NET POSITION, JANUARY 1	<u>1,737,503</u>	<u>3,392,456</u>	<u>5,129,959</u>
<b>NET POSITION, DECEMBER 31</b>	<u><u>\$ 1,549,395</u></u>	<u><u>\$ 3,355,726</u></u>	<u><u>\$ 4,905,121</u></u>

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Aquatics	Sewer	Total Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 11,663	\$ 576,879	\$ 588,542
Payments to suppliers	(52,398)	(92,427)	(144,825)
Payments to employees	(115,656)	(138,451)	(254,107)
Miscellaneous non-operating receipts (expense)	-	(272,840)	(272,840)
Net cash from operating activities	(156,391)	73,161	(83,230)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund loan receipts	26,691	-	26,691
Transfers in	258,265	-	258,265
Net cash from noncapital financing activities	284,956	-	284,956
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	-	(82,215)	(82,215)
Principal paid on long-term debt	(170,000)	-	(170,000)
Interest paid	(82,765)	-	(82,765)
Net cash from capital and related financing activities	(252,765)	(82,215)	(334,980)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	583	2,928	3,511
Net cash from investing activities	583	2,928	3,511
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(123,617)	(6,126)	(129,743)
CASH AND CASH EQUIVALENTS, JANUARY 1	216,022	1,492,270	1,708,292
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 92,405	\$ 1,486,144	\$ 1,578,549
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (362,399)	\$ 233,182	\$ (129,217)
Miscellaneous non-operating receipts (expense)	-	(272,840)	(272,840)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	177,120	69,785	246,905
Increase (decrease) in			
Pension related items	3,078	2,303	5,381
OPEB related items	7,117	7,117	14,234
Accounts receivable	391	5,204	5,595
Accounts payable	7,278	28,518	35,796
Wages payable	(176)	(108)	(284)
Unearned revenue	11,200	-	11,200
NET CASH FROM OPERATING ACTIVITIES	\$ (156,391)	\$ 73,161	\$ (83,230)

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

December 31, 2020

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	<b>Police Pension</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and short-term investments	\$ 16,887	\$ 160,223
Investments		
U.S. Treasury obligations	345,786	-
U.S. agency obligations	1,719,794	-
State and local obligations	355,706	-
Corporate bonds	455,867	-
Negotiable certificate of deposits	200,137	-
Equity mutual funds	2,651,808	-
Money market mutual funds	156,172	-
Prepaid items	493	-
Accrued interest receivable	13,923	-
	<hr/>	<hr/>
Total assets	5,916,573	160,223
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	4,614	-
	<hr/>	<hr/>
Total liabilities	4,614	-
	<hr/>	<hr/>
<b>NET POSITION</b>		
Restricted for debt service	-	160,223
Restricted for pensions	5,911,959	-
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 5,911,959</b>	<b>\$ 160,223</b>
	<hr/>	<hr/>

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, 2020

	<b>Police Pension</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 349,206	\$ -
Employee	133,302	-
Property owner	-	862,842
	482,508	862,842
Total contributions		
Investment income		
Net appreciation in fair value of investments	559,448	-
Interest	127,941	788
	687,389	788
Total investment income		
Less investment expense	(13,035)	-
	674,354	788
Net investment income		
Total additions	1,156,862	863,630
<b>DEDUCTIONS</b>		
Benefits and refunds	146,729	-
Administration	23,953	-
Debt service		
Principal retirement	-	905,931
Interest	-	24,144
Fiscal charges	-	100
	170,682	930,175
Total deductions		
CHANGE IN NET POSITION	986,180	(66,545)
<b>NET POSITION</b>		
January 1	4,925,779	226,768
December 31	\$ 5,911,959	\$ 160,223

See accompanying notes to financial statements.

# VILLAGE OF HAWTHORN WOODS, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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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 required to be 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 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 Village has elected to report this fund as major.

The Capital Improvements Fund, a capital projects fund, is used to account for other financing sources (transfers from other funds) and expenditures for capital improvements. The Village has elected to report this fund as major.

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

The Village reports the following nonmajor governmental funds:

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

**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 four months of General Fund expenditures (not including transfers to fund capital projects). Unassigned fund balance is transferred to these reserves. These reserves are reported as an assigned fund balance.

**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."

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.

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

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

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.

p. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, *Leases* to December 31, 2022.

**2. DEPOSITS AND INVESTMENTS**

The Village and pension funds categorize 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. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts and equity mutual funds.

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)**

**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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
State and local obligations (SSA Bonds)	\$ 1,533,000	\$ 753,000	\$ 780,000	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,533,000</b>	<b>\$ 753,000</b>	<b>\$ 780,000</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 2020 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at December 31, 2020, 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 2020 taxes are intended to finance the 2021 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue.

**4. CAPITAL ASSETS**

Capital asset activity for the Village for the year ended December 31, 2020 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
Construction in progress	20,891	-	-	20,891
Total capital assets not being depreciated	<u>6,577,972</u>	<u>-</u>	<u>-</u>	<u>6,577,972</u>

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

**4. CAPITAL ASSETS (Continued)**

	January 1	Increases	Decreases	December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
(Continued)				
Capital assets being depreciated				
Buildings and improvements	\$ 6,122,376	\$ 31,000	\$ -	\$ 6,153,376
Equipment and vehicles	2,957,349	477,820	97,045	3,338,124
Total capital assets being depreciated	<u>9,079,725</u>	<u>508,820</u>	<u>97,045</u>	<u>9,491,500</u>
Less accumulated depreciation for				
Buildings and improvements	3,667,799	289,317	-	3,957,116
Equipment and vehicles	2,238,112	181,273	97,045	2,322,340
Total accumulated depreciation	<u>5,905,911</u>	<u>470,590</u>	<u>97,045</u>	<u>6,279,456</u>
Total capital assets being depreciated, net	<u>3,173,814</u>	<u>38,230</u>	<u>-</u>	<u>3,212,044</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 9,751,786</u>	<u>\$ 38,230</u>	<u>\$ -</u>	<u>\$ 9,790,016</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 417,459	\$ -	\$ -	\$ 417,459
Total capital assets not being depreciated	<u>417,459</u>	<u>-</u>	<u>-</u>	<u>417,459</u>
Capital assets being depreciated				
Sanitary sewer system	2,347,301	-	-	2,347,301
Buildings and improvements	4,789,715	-	-	4,789,715
Equipment	208,228	82,215	-	290,443
Total capital assets being depreciated	<u>7,345,244</u>	<u>82,215</u>	<u>-</u>	<u>7,427,459</u>
Less accumulated depreciation for				
Sanitary sewer system	469,461	67,066	-	536,527
Buildings and improvements	1,847,210	161,052	-	2,008,262
Equipment	136,619	18,787	-	155,406
Total accumulated depreciation	<u>2,453,290</u>	<u>246,905</u>	<u>-</u>	<u>2,700,195</u>
Total capital assets being depreciated, net	<u>4,891,954</u>	<u>(164,690)</u>	<u>-</u>	<u>4,727,264</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 5,309,413</u>	<u>\$ (164,690)</u>	<u>\$ -</u>	<u>\$ 5,144,723</u>

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

<b>DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 27,872
Building and zoning	52,312
Public safety	79,368
Public works	52,312
Parks and recreation	<u>258,726</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 470,590</u>

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

**5. LONG-TERM DEBT**

a. Special Service Area Bonds

As of December 31, 2020, the following Special Service Area (SSA) bonds were outstanding: SSA #1 Refunding Bonds, Series 2013A (which refunded the SSA #1 - 2003A Bonds and SSA #1 - 2004A Bonds), SSA #2 Refunding Bonds, Series 2013B (which refunded the SSA #2 - 2003B Bonds and SSA #2 - 2004B Bonds), SSA #3 Refunding Bonds, Series 2013C (which refunded the SSA #3 - 2003C Bonds and SSA #3 - 2004C Bonds) and SSA #4 - 2006 Bonds.

The SSA bonds outstanding as of December 31, 2020, totaled \$2,931,069. 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>						
Debt certificates (direct placement)	Debt Service	\$ 2,265,000	\$ -	\$ 730,000	\$ 1,535,000	\$ 755,000
Unamortized premium on debt certificates	Debt Service	26,013	-	8,384	17,629	-
Compensated absences	General	25,649	12,386	5,130	32,905	6,581
Net pension liability - police pension	General	3,148,637	-	879,069	2,269,568	-
Net pension liability - IMRF	General	1,343,198	-	99,081	1,244,117	-
Other postemployment benefit liability	General	307,768	156,037	-	463,805	9,183
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<u>\$ 7,116,265</u>	<u>\$ 168,423</u>	<u>\$ 1,721,664</u>	<u>\$ 5,563,024</u>	<u>\$ 770,764</u>

c. Debt Certificates

The Village issued \$6,240,000 Debt Certificates, Series 2013 for the purchase of the Village's Special Service Area Number One, Two, and Three Refunding Bonds, Series 2013. The certificates were issued directly to a bank, bear interest at rates ranging from 2.00% to 3.25% and are payable in semi-annually beginning June 30, 2014, through December 30, 2022.

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

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

c. Debt Certificates (Continued)

Issue	Fund Debt, (Direct Placement) Retired by	Balance January 1	Issuances	Retirements	Balance December 31	Current Portion
\$6,240,000 debt certificates (direct placement) dated November 12, 2013 with principal and interest due June 30 and December 30 including interest at 2.00% to 3.25% due through December 30, 2022.	Debt Service	\$ 2,265,000	\$ -	\$ 730,000	\$ 1,535,000	\$ 755,000
<b>TOTAL</b>		<b>\$ 2,265,000</b>	<b>\$ -</b>	<b>\$ 730,000</b>	<b>\$ 1,535,000</b>	<b>\$ 755,000</b>

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

During the year ended December 31, 2020, 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	\$ 1,710,000	\$ -	\$ 170,000	\$ 1,540,000	\$ 180,000
Unamortized premium on bonds	Aquatics	7,670	-	763	6,907	-
Net pension liability - IMRF	Aquatics/ Sewer	123,515	-	9,129	114,386	-
Other postemployment benefit liability	Aquatics/ Sewer	51,201	14,234	-	65,435	1,296
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 1,892,386</b>	<b>\$ 14,234</b>	<b>\$ 179,892</b>	<b>\$ 1,726,728</b>	<b>\$ 181,296</b>

e. Debt Service Requirements to Maturity - Governmental Activities

Annual debt service requirements to maturity for the governmental activities debt certificates are as follows:

Year Ending December 31,	Debt Certificates Direct Placement		
	Principal	Interest	Total
2021	\$ 755,000	\$ 42,444	\$ 797,444
2022	780,000	18,687	798,687
<b>TOTAL</b>	<b>\$ 1,535,000</b>	<b>\$ 61,131</b>	<b>\$ 1,596,131</b>

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

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

f. Revenue Bonds

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

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

The ordinance authorizing the issuance of \$3,000,000 Revenue Refunding Bonds (Aquatic Center Project), Series 2011 provided for the continuation of separate subfunds of the Aquatics Fund. The Park Donation Fund is required for all park donation fees received by the Village. This subfund had a balance of \$10,942 at December 31, 2020. 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 \$99,563 at December 31, 2020. 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, 2020, this subfund had a balance of \$4,708. Finally, a Reserve Subfund is required for making transfers to the Bond and Interest Subfund in the event that the Bond and Interest Subfund is insufficient. At December 31, 2020, this subfund (including the 2011 Reserve Subfund) had a balance of \$256,548 as required by the ordinance.

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

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

f. Revenue Bonds (Continued)

Debt service to maturity on these bonds is as follows:

Year Ending December 31,	Revenue Bonds		
	Principal	Interest	Total
2021	\$ 180,000	\$ 75,540	\$ 255,540
2022	185,000	67,890	252,890
2023	195,000	59,103	254,103
2024	205,000	49,840	254,840
2025	215,000	39,590	254,590
2026	225,000	28,840	253,840
2027	235,000	17,253	252,253
2028	100,000	5,150	105,150
<b>TOTAL</b>	<b>\$ 1,540,000</b>	<b>\$ 343,206</b>	<b>\$ 1,883,206</b>

**6. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

Due from/to other funds at December 31, 2020 consist of the following:

	Due From	Due To
General	\$ 385,950	\$ 52,323
Community Development	-	105,500
Parks and Recreation	-	141,321
Capital Improvements	52,250	59,615
Aquatics Center	-	53,066
Sewer	-	26,375
<b>TOTAL</b>	<b>\$ 438,200</b>	<b>\$ 438,200</b>

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.

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

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

b. Interfund Transfers

Interfund transfers during the year ended December 31, 2020, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 90,000	\$ 172,765
Parks and Recreation	-	90,000
Park Donation	-	85,500
Aquatics Center	<u>258,265</u>	<u>-</u>
<b>TOTAL</b>	<u><u>\$ 348,265</u></u>	<u><u>\$ 348,265</u></u>

Significant transfers between funds for the year ended December 31, 2020 consist of the following:

- \$90,000 transferred from the Parks and Recreation Fund to the General Fund as approved in the Village's 2020 budget.
- \$172,765 transferred from the General Fund and \$85,500 from the Parks Donation Fund transferred to the Aquatics Center Fund to transfer park donation revenues in accordance with revenue bond covenants.

None of the transfers will be repaid.

c. Advances

Advance due from/to other funds at December 31, 2020 consist of the following:

	<u>Advance From</u>	<u>Advance To</u>
General	\$ -	\$ 26,375
Sewer	-	40,021
Aquatics Center	<u>66,396</u>	<u>-</u>
<b>TOTAL</b>	<u><u>\$ 66,396</u></u>	<u><u>\$ 66,396</u></u>

The balances reflected above 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.

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

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

d. Deficit Fund Balances

The following funds reported deficit fund balances at December 31, 2020:

Fund	Total
Parks and Recreation	\$ 175,455

**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.

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, 2020.

**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.

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

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**8. CONTINGENT LIABILITIES (Continued)**

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).

The table below is a summary for all pension plans as of and for the year ended December 31, 2020:

	IMRF	Police Pension	Total
Net pension liability	\$ 1,358,503	\$ 2,269,568	\$ 3,628,071
Deferred outflows of resources	530,917	673,831	1,204,748
Deferred inflows of resources	172,687	1,306,119	1,478,806
Pension expense	295,818	296,958	592,776

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.

**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)

*Plan Membership*

At December 31, 2019 (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	20
Active employees	<u>22</u>
<b>TOTAL</b>	<b><u>54</u></b>

*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, 2020, was 11.72% of covered payroll.

**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*

The Village's net pension liability was measured as of December 31, 2019 (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 following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Asset valuation method	Fair value of assets
Assumptions	
Price inflation	2.50%
Salary increases	3.35% to 14.25%
Investment rate of return	7.25%
Cost of living adjustments	2.75%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2019 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.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 4,787,805	\$ 3,321,092	\$ 1,466,713
Changes for the period			
Service cost	206,649	-	206,649
Interest	351,874	-	351,874
Difference between expected and actual experience	198,405	-	198,405
Changes in assumptions	-	-	-
Employer contributions	-	203,438	(203,438)
Employee contributions	-	86,122	(86,122)
Net investment income	-	567,136	(567,136)
Benefit payments and refunds	(75,394)	(75,394)	-
Other (net transfer)	-	8,442	(8,442)
Net changes	681,534	789,744	(108,210)
BALANCES AT DECEMBER 31, 2019	\$ 5,469,339	\$ 4,110,836	\$ 1,358,503

**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, 2020, the Village recognized pension expense of \$295,818.

At December 31, 2020, 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	\$ 212,644	\$ 15,312
Assumption changes	86,513	40,914
Net difference between projected and actual earnings on pension plan investments	-	116,461
Employer contributions after measurement date	231,760	
<b>TOTAL</b>	<b>\$ 530,917</b>	<b>\$ 172,687</b>

\$231,760 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, 2021. 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>	
2021	\$ 48,211
2022	65,511
2023	71,082
2024	(58,334)
2025	-
<b>TOTAL</b>	<b>\$ 126,470</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	\$ 2,190,627	\$ 1,358,503	\$ 670,342

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.

*Plan Membership*

At December 31, 2020, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>12</u>
<b>TOTAL</b>	<u><u>15</u></u>

**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*

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 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, 2020, the Village's contribution was 26.51% of covered payroll.

**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)

*Investment Policy*

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

It is the policy of the Fund to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are; safety of principal, liquidity, return on investment, legality and meeting all funding requirements. During the year, there were no changes to the investment policy.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	54.00%	1.30%
Large cap domestic equities	32.20%	5.80%
Small cap domestic equities	9.20%	7.60%
International equities	4.60%	7.10%

ILCS limits the Fund’s investments in equities to 45%. Securities in any one company should not exceed 5% of the total fund.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

The long-term expected real rates of return are net of inflation and investment expense. Long-term returns for the asset classes are calculated on a geometric mean basis.

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Investment Rate of Return*

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk for deposits. At December 31, 2020, all of the Fund's bank balances were covered by FDIC insurance.

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 345,786	\$ 50,813	\$ 294,973	\$ -	\$ -
U.S. agency obligations	1,719,794	25,647	695,925	998,222	-
State and local obligations	355,706	25,459	231,761	98,486	-
Corporate bonds	455,867	25,562	264,812	165,493	-
Negotiable CDs	200,137	-	101,389	98,748	-
<b>TOTAL</b>	<b>\$ 3,077,290</b>	<b>\$ 127,481</b>	<b>\$ 1,588,860</b>	<b>\$ 1,360,949</b>	<b>\$ -</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)

*Deposits with Financial Institutions* (Continued)

The Fund has the following recurring fair value measurements as of December 31, 2020: the U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, the corporate bonds, negotiable certificates of deposit, and the state and local obligations are valued using quoted matrix pricing models (Level 2 inputs).

*Interest Rate Risk*

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

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and corporate bonds rated as investment grade by one of the two largest rating services at the time of purchase. The U.S. agency obligations are rated AA+ by Standard & Poor's. The state and local obligations are rated AA to AA+ by Standard & Poor's. The corporate bonds are rated BBB+ to AAA by Standard & Poor's. Certain fixed income securities are not rated. The negotiable CDs are not rated.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

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.

*Changes in Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2020	\$ 8,074,416	\$ 4,925,779	\$ 3,148,637
Changes for the period			
Service cost	331,130	-	331,130
Interest	500,337	-	500,337
Difference between expected and actual experience	(577,627)	-	(577,627)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	349,206	(349,206)
Employee contributions	-	122,802	(122,802)
Contributions - other	-	10,500	(10,500)
Net investment income	-	674,354	(674,354)
Benefit payments and refunds	(146,729)	(146,729)	-
Administrative expense	-	(23,953)	23,953
Net changes	107,111	986,180	(879,069)
BALANCES AT DECEMBER 31, 2020	\$ 8,181,527	\$ 5,911,959	\$ 2,269,568

**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, 2020, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
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

Mortality rates were based the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data.

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

For the year ended December 31, 2020, the Village recognized police pension expense of \$296,958. At December 31, 2020, 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	\$ 404,332	\$ 891,658
Changes in assumptions	269,499	43,117
Net difference between projected and actual earnings on pension plan investments	-	371,344
<b>TOTAL</b>	<b>\$ 673,831</b>	<b>\$ 1,306,119</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 December 31,</u>	
2021	\$ (103,320)
2022	(79,156)
2023	(155,949)
2024	(80,771)
2025	(19,936)
Thereafter	<u>(193,156)</u>
 TOTAL	 <u>\$ (632,288)</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	\$ 3,774,354	\$ 2,269,568	\$ 1,070,290

**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, 2020, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>36</u>
<b>TOTAL</b>	<u><b>36</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 \$529,240 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2021.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2020, as determined by an actuarial valuation as of January 1, 2021, 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	2.12%
Healthcare cost trend rates	6.60% 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 RP-2014 with Blue Collar Adjustment and MP-2016 Improvement Rates, weighted per IMRF Experience Study dated November 8, 2017.

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, 2021 valuation assume 30% IMRF and police coverage election, with 50% electing spousal coverage.

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

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

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2020	<u>\$ 358,969</u>
Changes for the period	
Service cost	4,620
Interest	9,692
Differences between expected and actual experiences	113,192
Assumption changes	53,246
Benefit payments	<u>(10,479)</u>
Net changes	<u>170,271</u>
BALANCES AT DECEMBER 31, 2020	<u>\$ 529,240</u>

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

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.12% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 602,378	\$ 529,240	\$ 468,822

**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	\$ 463,240	\$ 529,240	\$ 608,736

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$170,271. Under GASB Statement No. 75, *plans that qualify for the Alternative Measurement Method*, changes to the OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. 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, 2020, 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, 2020, amounted to \$7,571. There are no recapture provisions as eligibility for property tax abatement is established before disbursement.

**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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 2,546,322	\$ 2,546,322	\$ 2,453,990	\$ (92,332)
Licenses and fees	595,360	595,360	464,912	(130,448)
Intergovernmental	1,223,089	1,223,089	1,705,526	482,437
Investment income	19,500	19,500	7,842	(11,658)
Miscellaneous	52,350	52,350	14,383	(37,967)
Total revenues	4,436,621	4,436,621	4,646,653	210,032
<b>EXPENDITURES</b>				
Current				
General government	1,585,429	1,585,429	1,519,340	(66,089)
Building and zoning	31,680	31,680	22,725	(8,955)
Public safety	2,060,095	2,054,595	2,005,546	(49,049)
Public works	664,726	664,726	736,670	71,944
Total expenditures	4,341,930	4,336,430	4,284,281	(52,149)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	94,691	100,191	362,372	262,181
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	90,000	90,000	90,000	-
Transfers (out)	(147,980)	(147,980)	(172,765)	(24,785)
Total other financing sources (uses)	(57,980)	(57,980)	(82,765)	(24,785)
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ 36,711	\$ 42,211	279,607	\$ 237,396
<b>FUND BALANCE, JANUARY 1</b>			2,205,319	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 2,484,926	

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Allotments earned	\$ 280,000	\$ 280,000	\$ 315,198	\$ 35,198
Rebuild Illinois funds	-	-	175,261	175,261
Investment income	1,000	1,000	566	(434)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	281,000	281,000	491,025	210,025
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Public works				
Personnel services	160,226	160,226	165,289	5,063
Contractual services	141,400	141,400	5,915	(135,485)
Commodities	95,000	95,000	92,693	(2,307)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	396,626	396,626	263,897	(132,729)
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,626)	(115,626)	227,128	342,754
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (115,626)	\$ (115,626)	227,128	\$ 342,754
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			277,284	
			<hr/>	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 504,412	
			<hr/>	

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Licenses, permits and fees	\$ 687,175	\$ 687,175	\$ 1,033,529	\$ 346,354
Investment income	10,000	10,000	1,340	(8,660)
Miscellaneous	53,665	53,665	55,197	1,532
<b>Total revenues</b>	<b>750,840</b>	<b>750,840</b>	<b>1,090,066</b>	<b>339,226</b>
<b>EXPENDITURES</b>				
General government				
Economic development				
Personnel services	171,213	171,213	205,868	34,655
Contractual services	175,600	175,600	126,665	(48,935)
Building and zoning				
Personnel services	242,934	242,934	245,719	2,785
Contractual services	252,276	252,276	439,397	187,121
Commodities	2,470	2,470	1,745	(725)
Parks and recreation				
Community events				
Personnel services	105,887	105,887	101,513	(4,374)
Contractual services	58,400	58,400	11,958	(46,442)
<b>Total expenditures</b>	<b>1,008,780</b>	<b>1,008,780</b>	<b>1,132,865</b>	<b>124,085</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (257,940)</b>	<b>\$ (257,940)</b>	<b>(42,799)</b>	<b>\$ 215,141</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>367,789</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 324,990</b>	

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 478,242	\$ 478,242	\$ 480,884	\$ 2,642
Licenses, permits and fees	209,720	209,720	116,130	(93,590)
Investment income	130	130	129	(1)
<b>Total revenues</b>	<b>688,092</b>	<b>688,092</b>	<b>597,143</b>	<b>(90,949)</b>
<b>EXPENDITURES</b>				
Parks and recreation				
Administration				
Personnel services	137,146	137,146	130,736	(6,410)
Contractual services	73,897	73,897	62,766	(11,131)
Commodities	2,990	2,990	4,443	1,453
Recreation				
Commodities	36,405	36,405	7,046	(29,359)
Park maintenance				
Personnel services	243,839	243,839	233,524	(10,315)
Contractual services	3,250	3,250	2,150	(1,100)
Commodities	149,326	149,326	125,311	(24,015)
Capital outlay	5,000	5,000	1,800	(3,200)
Special recreation				
Contractual services	54,628	54,628	55,721	1,093
Capital outlay	94,000	94,000	81,629	(12,371)
<b>Total expenditures</b>	<b>800,481</b>	<b>800,481</b>	<b>705,126</b>	<b>(95,355)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(112,389)</b>	<b>(112,389)</b>	<b>(107,983)</b>	<b>4,406</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(90,000)	(90,000)	(90,000)	-
<b>Total other financing sources (uses)</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (202,389)</b>	<b>\$ (202,389)</b>	<b>(197,983)</b>	<b>\$ 4,406</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>22,528</b>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<b>\$ (175,455)</b>	

(See independent auditor's report.)

VILLAGE OF HAWTHORN WOODS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six 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>
Actuarially determined contribution	\$ 197,892	\$ 201,184	\$ 213,615	\$ 210,345	\$ 203,438	\$ 231,760
Contributions in relation to the actuarially determined contribution	197,892	201,184	213,615	210,345	203,438	231,760
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>					
Covered payroll	\$ 1,710,389	\$ 1,757,066	\$ 1,841,509	\$ 1,876,405	\$ 1,913,809	\$ 1,977,474
Contributions as a percentage of covered payroll	11.57%	11.45%	11.60%	11.21%	10.63%	11.72%

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 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% 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>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 211,652	\$ 219,588	\$ 217,155	\$ 234,261	\$ 280,551	\$ 280,223	\$ 308,036	\$ 339,582	\$ 335,081	\$ 349,206
Contributions in relation to the actuarially determined contributions	225,318	219,588	217,155	234,261	280,551	280,223	308,036	339,582	335,081	349,206
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (13,666)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				
Covered payroll	\$ 680,756	\$ 683,219	\$ 692,151	\$ 791,889	\$ 979,799	\$ 1,043,104	\$ 1,072,395	\$ 1,110,705	\$ 1,183,495	\$ 1,317,437
Contributions as a percentage of covered payroll	33.10%	32.14%	31.37%	29.58%	28.63%	26.86%	28.72%	30.57%	28.31%	26.51%

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 22 years; the asset valuation method was five-year smoothing of asset gains and losses and the significant actuarial assumptions were a discount rate of 6.50% annually; inflation at 2.50% annually; and projected salary increases of 4.00% to 14.00% 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 CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 156,550	\$ 164,627	\$ 204,579	\$ 196,852	\$ 192,568	\$ 206,649
Interest	186,930	220,700	262,493	283,287	314,019	351,874
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	14,769	201,645	(137,604)	106,937	56,081	198,405
Changes of assumptions	135,102	10,211	(27,283)	(123,595)	163,167	-
Benefit payments, including refunds of member contributions	(30,809)	(53,152)	(43,319)	(45,817)	(57,332)	(75,394)
Net change in total pension liability	462,542	544,031	258,866	417,664	668,503	681,534
Total pension liability - beginning	2,436,199	2,898,741	3,442,772	3,701,638	4,119,302	4,787,805
<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>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 152,332	\$ 197,892	\$ 201,184	\$ 213,615	\$ 210,345	\$ 203,438
Contributions - member	61,980	76,967	79,068	82,868	84,439	86,122
Net investment income	117,204	11,189	152,663	411,980	(118,010)	567,136
Benefit payments, including refunds of member contributions	(30,809)	(53,152)	(43,319)	(45,817)	(57,332)	(75,394)
Other (net transfer)	6,886	(207,005)	(6,617)	(32,187)	25,109	8,442
Net change in plan fiduciary net position	307,593	25,891	382,979	630,459	144,551	789,744
Plan net position - beginning	1,829,619	2,137,212	2,163,103	2,546,082	3,176,541	3,321,092
<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>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>
Plan fiduciary net position as a percentage of the total pension liability	73.73%	62.83%	68.78%	77.11%	69.37%	75.16%
Covered payroll	\$ 1,404,051	\$ 1,668,168	\$ 1,757,066	\$ 1,841,511	\$ 1,865,433	\$ 1,913,809
Employer's net pension liability as a percentage of covered payroll	54.24%	76.71%	65.77%	51.19%	78.63%	70.98%

Notes to Required Supplementary Information

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

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 Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 269,069	\$ 248,158	\$ 269,141	\$ 252,082	\$ 268,467	\$ 280,277	\$ 331,130
Interest	256,565	313,030	363,963	384,926	426,091	465,078	500,337
Changes of benefit terms	-	-	-	-	-	181,098	-
Differences between expected and actual experience	557,497	576,324	(634,081)	121,908	50,158	35,599	(577,627)
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)
Net change in total pension liability	1,282,672	961,842	336,628	652,036	600,391	846,608	107,111
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
<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>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 234,261	\$ 280,551	\$ 280,223	\$ 308,036	\$ 339,582	\$ 335,081	\$ 349,206
Contributions - member	79,573	106,136	106,897	112,506	115,071	117,285	122,802
Contributions - other	-	-	-	-	-	10,000	10,500
Net investment income	37,981	10,741	146,635	338,415	(125,626)	644,794	674,354
Benefit payments, including refunds of member contributions	(93,198)	(78,871)	(78,632)	(106,880)	(144,325)	(145,510)	(146,729)
Administrative expense	(13,259)	(16,308)	(13,404)	(23,101)	(22,790)	(28,752)	(23,953)
Net change in plan fiduciary net position	245,358	302,249	441,719	628,976	161,912	932,898	986,180
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
<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>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>
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%
Covered payroll	\$ 791,889	\$ 979,799	\$ 1,043,104	\$ 1,072,395	\$ 1,110,705	\$ 1,183,495	\$ 1,317,437
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%

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.

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 INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Seven 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>
Annual money-weighted rate of return, net of investment expense	3.50%	0.41%	5.06%	10.17%	(3.16%)	15.65%	13.38%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should 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  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 14,228	\$ 13,764	\$ 4,620
Interest	10,224	11,781	9,692
Differences between expected and actual experience	-	-	113,192
Changes of assumptions	(19,370)	53,194	53,246
Benefit payments, including refunds of member contributions	(15,041)	(14,321)	(10,479)
Net change in total OPEB liability	(9,959)	64,418	170,271
Total OPEB liability - beginning	304,510	294,551	358,969
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 294,551</b>	<b>\$ 358,969</b>	<b>\$ 529,240</b>
Covered payroll	\$ 2,987,117	\$ 3,097,304	\$ 3,216,639
Employer's total OPEB liability as a percentage of covered payroll	9.86%	11.59%	16.45%

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, 2020

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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 and Police Pension Fund. All annual appropriations lapse at fiscal year end. Budget amendments were made in the current fiscal year.

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

- a. During the fourth quarter of the prior fiscal year, the Chief Financial Officer drafts an annual budget ordinance for the subsequent year to be adopted by the 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.

### 2. COMPLIANCE

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

Fund	Actual Expenditures	Final Budget	Excess
Capital Improvements Fund	\$ 410,063	\$ 234,893	\$ 175,170
Community Development Fund	1,132,865	1,008,780	124,085

**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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>TAXES</b>				
Property taxes	\$ 1,835,370	\$ 1,835,370	\$ 1,786,161	\$ (49,209)
Road and bridge tax	19,952	19,952	16,999	(2,953)
Sales tax	130,000	130,000	154,258	24,258
Cannabis tax	-	-	5,768	5,768
Utility tax	400,000	400,000	371,021	(28,979)
Telecommunication tax	160,000	160,000	118,635	(41,365)
Amusement tax	1,000	1,000	1,148	148
<b>Total taxes</b>	<b>2,546,322</b>	<b>2,546,322</b>	<b>2,453,990</b>	<b>(92,332)</b>
<b>LICENSES AND FEES</b>				
Licenses				
Liquor	7,900	7,900	7,900	-
Vehicle	166,500	166,500	159,935	(6,565)
Animal	13,200	13,200	12,720	(480)
Franchise	195,000	195,000	159,827	(35,173)
Business	9,600	9,600	9,575	(25)
<b>Total licenses</b>	<b>392,200</b>	<b>392,200</b>	<b>349,957</b>	<b>(42,243)</b>
Fees				
Court fines	110,000	110,000	82,156	(27,844)
Admin adjudication hearing fee	-	-	20	20
Village code violations	48,000	48,000	13,489	(34,511)
Administrative impound fees	40,000	40,000	18,500	(21,500)
Police protection fees	4,160	4,160	-	(4,160)
Record requests	1,000	1,000	790	(210)
<b>Total fees</b>	<b>203,160</b>	<b>203,160</b>	<b>114,955</b>	<b>(88,205)</b>
<b>Total licenses and fees</b>	<b>595,360</b>	<b>595,360</b>	<b>464,912</b>	<b>(130,448)</b>
<b>INTERGOVERNMENTAL</b>				
Use tax	273,397	273,397	362,089	88,692
Income tax	887,392	887,392	907,169	19,777
Personal property replacement tax	2,300	2,300	1,756	(544)
Sales tax sharing	60,000	60,000	57,486	(2,514)
Grants	-	-	377,026	377,026
<b>Total intergovernmental</b>	<b>1,223,089</b>	<b>1,223,089</b>	<b>1,705,526</b>	<b>482,437</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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>INVESTMENT INCOME</b>				
Interest income	\$ 19,500	\$ 19,500	\$ 7,842	\$ (11,658)
Total investment income	19,500	19,500	7,842	(11,658)
<b>MISCELLANEOUS</b>				
Yard stickers	10,000	10,000	1,853	(8,147)
SWALCO fee	3,600	3,600	3,665	65
Miscellaneous	38,750	38,750	8,865	(29,885)
Total miscellaneous	52,350	52,350	14,383	(37,967)
<b>TOTAL REVENUES</b>	<b>\$ 4,436,621</b>	<b>\$ 4,436,621</b>	<b>\$ 4,646,653</b>	<b>\$ 210,032</b>

(See independent auditor's report.)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Administration				
Personnel services	\$ 375,138	\$ 375,138	\$ 343,897	\$ (31,241)
Contractual services	107,992	107,992	71,802	(36,190)
Commodities	6,940	6,940	13,472	6,532
Total administration	<u>490,070</u>	<u>490,070</u>	<u>429,171</u>	<u>(60,899)</u>
Legal				
Contractual services	220,750	220,750	303,881	83,131
Elected officials				
Personnel services	-	-	-	-
Contractual services	2,910	2,910	2,181	(729)
Total elected officials	<u>2,910</u>	<u>2,910</u>	<u>2,181</u>	<u>(729)</u>
Village clerk				
Personnel services	38,992	38,992	38,753	(239)
Contractual services	13,615	13,615	12,735	(880)
Total village clerk	<u>52,607</u>	<u>52,607</u>	<u>51,488</u>	<u>(1,119)</u>
Risk management				
Personnel services	14,779	14,779	10,415	(4,364)
Contractual services	455,000	455,000	400,824	(54,176)
Capital outlay	5,000	5,000	-	(5,000)
Total risk management	<u>474,779</u>	<u>474,779</u>	<u>411,239</u>	<u>(63,540)</u>
Police commission				
Contractual services	5,375	5,375	375	(5,000)
Commodities	100	100	3,926	3,826
Total police commission	<u>5,475</u>	<u>5,475</u>	<u>4,301</u>	<u>(1,174)</u>
Human resources				
Personnel services	47,503	47,503	29,534	(17,969)
Contractual services	10,325	10,325	19,199	8,874
Total human resources	<u>57,828</u>	<u>57,828</u>	<u>48,733</u>	<u>(9,095)</u>
Technology				
Contractual services	112,375	112,375	111,833	(542)
Commodities	-	-	9,500	9,500
Total technology	<u>112,375</u>	<u>112,375</u>	<u>121,333</u>	<u>8,958</u>

(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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
Finance				
Personnel services	\$ 137,053	\$ 137,053	\$ 93,971	\$ (43,082)
Contractual services	31,422	31,422	52,995	21,573
Commodities	160	160	47	(113)
Total finance	<u>168,635</u>	<u>168,635</u>	<u>147,013</u>	<u>(21,622)</u>
Total general government	<u>1,585,429</u>	<u>1,585,429</u>	<u>1,519,340</u>	<u>(66,089)</u>
<b>BUILDING AND ZONING</b>				
Engineering				
Personnel services	15,680	15,680	15,749	69
Contractual services	16,000	16,000	6,976	(9,024)
Total engineering	<u>31,680</u>	<u>31,680</u>	<u>22,725</u>	<u>(8,955)</u>
Total building and zoning	<u>31,680</u>	<u>31,680</u>	<u>22,725</u>	<u>(8,955)</u>
<b>PUBLIC SAFETY</b>				
Police administration/operations				
Personnel services	1,770,796	1,770,796	1,764,106	(6,690)
Contractual services	187,649	182,149	139,331	(42,818)
Commodities	58,400	58,400	39,746	(18,654)
Capital outlay	43,250	43,250	62,363	19,113
Total police administration/operations	<u>2,060,095</u>	<u>2,054,595</u>	<u>2,005,546</u>	<u>(49,049)</u>
Total public safety	<u>2,060,095</u>	<u>2,054,595</u>	<u>2,005,546</u>	<u>(49,049)</u>
<b>PUBLIC WORKS</b>				
Administration				
Personnel services	446,086	446,086	425,481	(20,605)
Contractual services	59,840	59,840	34,310	(25,530)
Commodities	107,000	107,000	77,257	(29,743)
Capital outlay	-	-	162,389	162,389
Total administration	<u>612,926</u>	<u>612,926</u>	<u>699,437</u>	<u>86,511</u>
Building and grounds				
Contractual services	31,300	31,300	10,034	(21,266)
Commodities	20,500	20,500	27,199	6,699
Total buildings and grounds	<u>51,800</u>	<u>51,800</u>	<u>37,233</u>	<u>(14,567)</u>
Total public works	<u>664,726</u>	<u>664,726</u>	<u>736,670</u>	<u>71,944</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,341,930</u>	<u>\$ 4,336,430</u>	<u>\$ 4,284,281</u>	<u>\$ (52,149)</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, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Donations	\$ 125,979	\$ 125,979	\$ 94,335	\$ (31,644)
Investment income	26	26	32	6
Total revenues	<u>126,005</u>	<u>126,005</u>	<u>94,367</u>	<u>(31,638)</u>
<b>EXPENDITURES</b>				
None	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,005	126,005	94,367	(31,638)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(115,118)</u>	<u>(115,118)</u>	<u>(85,500)</u>	<u>29,618</u>
Total other financing sources (uses)	<u>(115,118)</u>	<u>(115,118)</u>	<u>(85,500)</u>	<u>29,618</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,887</u>	<u>\$ 10,887</u>	8,867	<u>\$ (2,020)</u>
FUND BALANCE, JANUARY 1			<u>2,075</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 10,942</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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 33,602	\$ 33,602
Investment income	1,000	1,000	405	(595)
Miscellaneous	-	-	5,278	5,278
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>39,285</u>	<u>38,285</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>229,393</u>	<u>234,893</u>	<u>410,063</u>	<u>175,170</u>
Total expenditures	<u>229,393</u>	<u>234,893</u>	<u>410,063</u>	<u>175,170</u>
NET CHANGE IN FUND BALANCE	<u>\$ (228,393)</u>	<u>\$ (233,893)</u>	<u>(370,778)</u>	<u>\$ 136,885</u>
FUND BALANCE, JANUARY 1			<u>378,805</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 8,027</u>	

(See independent auditor's report.)

**MAJOR ENTERPRISE FUND**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

COMBINING SCHEDULE OF NET POSITION  
AQUATIC CENTER ACCOUNTS

December 31, 2020

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Eliminations	Total
<b>CURRENT ASSETS</b>						
Cash and investments	\$ (268,414)	\$ 99,563	\$ 4,708	\$ 256,548	\$ -	\$ 92,405
Accounts receivable	1,513	-	-	-	-	1,513
Total current assets	(266,901)	99,563	4,708	256,548	-	93,918
<b>NONCURRENT ASSETS</b>						
Capital assets						
Capital assets not being depreciated	417,459	-	-	-	-	417,459
Capital assets being depreciated, net	2,782,602	-	-	-	-	2,782,602
Net capital assets	3,200,061	-	-	-	-	3,200,061
Total assets	2,933,160	99,563	4,708	256,548	-	3,293,979
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension item - IMRF	25,643	-	-	-	-	25,643
Unamortized loss on refunding	23,141	-	-	-	-	23,141
Total deferred outflows of resources	48,784	-	-	-	-	48,784
Total assets and deferred outflows of resources	2,981,944	99,563	4,708	256,548	-	3,342,763
<b>CURRENT LIABILITIES</b>						
Accounts payable	8,132	-	-	-	-	8,132
Wages payable	993	-	-	-	-	993
Unearned revenues - other	11,200	-	-	-	-	11,200
Due to other funds	53,066	-	-	-	-	53,066
Other postemployment benefits	648	-	-	-	-	648
Revenue bonds payable	180,000	-	-	-	-	180,000
Total current liabilities	254,039	-	-	-	-	254,039
<b>NONCURRENT LIABILITIES</b>						
Advance to other funds	66,396	-	-	-	-	66,396
IMRF net pension liability	65,616	-	-	-	-	65,616
Other postemployment benefits	32,069	-	-	-	-	32,069
Net revenue bonds payable	1,366,907	-	-	-	-	1,366,907
Total noncurrent liabilities	1,530,988	-	-	-	-	1,530,988
Total liabilities	1,785,027	-	-	-	-	1,785,027
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension items - OPEB	-	-	-	-	-	-
Pension item - IMRF	8,341	-	-	-	-	8,341
Total deferred inflows of resources	8,341	-	-	-	-	8,341
Total liabilities and deferred inflows of resources	1,793,368	-	-	-	-	1,793,368
<b>NET POSITION</b>						
Net investment in capital assets	1,676,295	-	-	-	-	1,676,295
Restricted						
Debt service	-	-	4,708	256,548	-	261,256
Repairs and maintenance	-	99,563	-	-	-	99,563
Unrestricted (deficit)	(487,719)	-	-	-	-	(487,719)
<b>TOTAL NET POSITION</b>	<b>\$ 1,188,576</b>	<b>\$ 99,563</b>	<b>\$ 4,708</b>	<b>\$ 256,548</b>	<b>\$ -</b>	<b>\$ 1,549,395</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, 2020

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Eliminations	Total
<b>OPERATING REVENUES</b>						
Charges for service	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ 72
Total operating revenues	72	-	-	-	-	72
<b>OPERATING EXPENSES</b>						
Personnel services	125,675	-	-	-	-	125,675
Contractual services	48,534	-	803	-	-	49,337
Commodities	5,590	-	-	-	-	5,590
Maintenance	-	4,749	-	-	-	4,749
Depreciation	177,120	-	-	-	-	177,120
Total operating expenses	356,919	4,749	803	-	-	362,471
OPERATING (LOSS)	(356,847)	(4,749)	(803)	-	-	(362,399)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment income	-	139	11	433	-	583
Interest expense	(1,792)	-	(82,765)	-	-	(84,557)
Total non-operating revenues (expenses)	(1,792)	139	(82,754)	433	-	(83,974)
NET INCOME (LOSS) BEFORE TRANSFERS	(358,639)	(4,610)	(83,557)	433	-	(446,373)
<b>TRANSFERS</b>						
Transfers in	170,000	-	258,265	-	(170,000)	258,265
Transfers (out)	-	-	(170,000)	-	170,000	-
Total transfers	170,000	-	88,265	-	-	258,265
CHANGE IN NET POSITION	(188,639)	(4,610)	4,708	433	-	(188,108)
NET POSITION, JANUARY 1	1,377,215	104,173	-	256,115	-	1,737,503
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 1,188,576</b>	<b>\$ 99,563</b>	<b>\$ 4,708</b>	<b>\$ 256,548</b>	<b>\$ -</b>	<b>\$ 1,549,395</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, 2020

	Operating	Depreciation	Bond and Interest	2011 Bond Reserve	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 11,663	\$ -	\$ -	\$ -	\$ -	\$ 11,663
Payments to suppliers	(46,846)	(4,749)	(803)	-	-	(52,398)
Payments to employees	(115,656)	-	-	-	-	(115,656)
Net cash from operating activities	(150,839)	(4,749)	(803)	-	-	(156,391)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund loan receipts (repayments)	26,691	-	-	-	-	26,691
Transfers in	170,000	-	258,265	-	(170,000)	258,265
Transfers (out)	-	-	(170,000)	-	170,000	-
Net cash from noncapital financing activities	196,691	-	88,265	-	-	284,956
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal paid on long-term debt	(170,000)	-	-	-	-	(170,000)
Interest paid	-	-	(82,765)	-	-	(82,765)
Net cash from capital and related financing activities	(170,000)	-	(82,765)	-	-	(252,765)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	-	139	11	433	-	583
Net cash from investing activities	-	139	11	433	-	583
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(124,148)	(4,610)	4,708	433	-	(123,617)
CASH AND CASH EQUIVALENTS, JANUARY 1	(144,266)	104,173	-	256,115	-	216,022
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ (268,414)</b>	<b>\$ 99,563</b>	<b>\$ 4,708</b>	<b>\$ 256,548</b>	<b>\$ -</b>	<b>\$ 92,405</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (356,847)	\$ (4,749)	\$ (803)	\$ -	\$ -	\$ (362,399)
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation and amortization	177,120	-	-	-	-	177,120
Increase (decrease) in						
Pension related items	3,078	-	-	-	-	3,078
OPEB related items	7,117	-	-	-	-	7,117
Accounts receivable	391	-	-	-	-	391
Accounts payable	7,278	-	-	-	-	7,278
Wages payable	(176)	-	-	-	-	(176)
Unearned revenue	11,200	-	-	-	-	11,200
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (150,839)</b>	<b>\$ (4,749)</b>	<b>\$ (803)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (156,391)</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

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

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SISTER CITIES FUND**

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Investment income	\$ 12	\$ 12	\$ 10	\$ (2)
Miscellaneous	2,000	2,000	350	(1,650)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,012	2,012	360	(1,652)
<b>EXPENDITURES</b>				
General government				
Dues	310	310	-	(310)
Miscellaneous	200	200	-	(200)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	510	510	-	(510)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,502</u>	<u>\$ 1,502</u>	360	<u>\$ (1,142)</u>
<b>FUND BALANCE, JANUARY 1</b>			<hr/>	8,933
<b>FUND BALANCE, DECEMBER 31</b>			<hr/>	<u>\$ 9,293</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
CUSTODIAL FUNDS**

For the Year Ended December 31, 2020

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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	\$ 23,929	\$ 23,977	\$ 26,441	\$ 85,876	\$ 160,223
Total assets	23,929	23,977	26,441	85,876	160,223
<b>LIABILITIES</b>					
None	-	-	-	-	-
Total liabilities	-	-	-	-	-
<b>NET POSITION</b>					
Restricted for debt service	\$ 23,929	\$ 23,977	\$ 26,441	\$ 85,876	\$ 160,223

(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, 2020

	<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	\$ 260,012	\$ 258,508	\$ 259,845	\$ 84,477	\$ 862,842
Total contributions	260,012	258,508	259,845	84,477	862,842
Investment income					
Interest	47	46	49	646	788
Total additions	260,059	258,554	259,894	85,123	863,630
<b>DEDUCTIONS</b>					
Debt service					
Principal retirement	243,000	243,000	243,000	176,931	905,931
Interest	8,048	8,048	8,048	-	24,144
Fiscal charges	-	-	-	100	100
Total deductions	251,048	251,048	251,048	177,031	930,175
CHANGE IN NET POSITION	9,011	7,506	8,846	(91,908)	(66,545)
<b>NET POSITION</b>					
January 1	14,918	16,471	17,595	177,784	226,768
December 31	\$ 23,929	\$ 23,977	\$ 26,441	\$ 85,876	\$ 160,223

(See independent auditor's report.)

**OTHER SUPPLEMENTAL INFORMATION**

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR-END FINANCIAL REPORT**

For the Year Ended December 31, 2020

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<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-0967	High-Growth Cities Program	\$ 24,868	\$ -	\$ -	\$ 24,868
494-00-1488	Motor Fuel Tax Program	239,029	-	-	239,029
	Other Grant Programs and Activities	-	365,713	44,915	410,628
	All Other Costs Not Allocated	-	-	7,368,220	7,368,220
	<b>TOTALS</b>	<u>\$ 263,897</u>	<u>\$ 365,713</u>	<u>\$ 7,413,135</u>	<u>\$ 8,042,745</u>

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(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.	79-88
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	89-93
<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.	94-98
<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.	99-100
<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.	101-103

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

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 13,708,354	\$ 13,503,716	\$ 13,339,396	\$ 13,237,343
Restricted	947,427	1,082,734	1,190,127	1,463,134
Unrestricted	1,458,953	2,074,808	2,516,357	3,182,950
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 16,114,734</b>	<b>\$ 16,661,258</b>	<b>\$ 17,045,880</b>	<b>\$ 17,883,427</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 1,776,874	\$ 1,746,181	\$ 1,792,569	\$ 1,755,960
Restricted	391,676	256,819	261,253	305,176
Unrestricted	309,489	230,834	162,010	145,230
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 2,478,039</b>	<b>\$ 2,233,834</b>	<b>\$ 2,215,832</b>	<b>\$ 2,206,366</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 15,485,228	\$ 15,249,897	\$ 15,131,965	\$ 14,993,303
Restricted	1,339,103	1,339,553	1,451,380	1,768,310
Unrestricted	1,768,442	2,305,642	2,678,367	3,328,180
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 18,592,773</b>	<b>\$ 18,895,092</b>	<b>\$ 19,261,712</b>	<b>\$ 20,089,793</b>

Data Source

Audited Financial Statements

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$	10,667,939	\$ 10,507,396	\$ 10,314,182	\$ 10,034,852	\$ 9,751,786	\$ 9,790,016
	1,336,030	974,040	934,097	804,036	890,855	1,191,110
	823,797	669,550	26,468	(645,904)	(1,694,921)	(2,295,878)
\$	12,827,766	\$ 12,150,986	\$ 11,274,747	\$ 10,192,984	\$ 8,947,720	\$ 8,685,248
\$	3,872,338	\$ 3,785,525	\$ 3,704,720	\$ 3,628,297	\$ 3,617,439	\$ 3,620,957
	319,822	786,825	557,334	386,042	360,288	360,819
	634,399	852,021	1,106,875	1,221,130	1,152,232	923,345
\$	4,826,559	\$ 5,424,371	\$ 5,368,929	\$ 5,235,469	\$ 5,129,959	\$ 4,905,121
\$	14,540,277	\$ 14,292,921	\$ 14,018,902	\$ 13,663,149	\$ 13,369,225	\$ 13,410,973
	1,655,852	1,760,865	1,491,431	1,190,078	1,251,143	1,551,929
	1,458,196	1,521,571	1,133,343	575,226	(542,689)	(1,372,533)
\$	17,654,325	\$ 17,575,357	\$ 16,643,676	\$ 15,428,453	\$ 14,077,679	\$ 13,590,369

VILLAGE OF HAWTHORN WOODS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 1,435,196	\$ 1,202,576	\$ 1,547,590	\$ 1,433,958
Building and zoning	312,618	370,625	511,300	865,096
Public safety	1,302,247	1,341,417	1,287,164	1,405,975
Public works	1,107,541	1,009,570	846,084	1,052,568
Parks and recreation	520,390	547,137	689,946	807,156
Interest	4,318	3,435	102,925	183,730
Total governmental activities expenses	4,682,310	4,474,760	4,985,009	5,748,483
Business-Type Activities				
Aquatics	560,021	573,378	610,695	587,821
Sewer	-	-	-	-
Total business-type activities expenses	560,021	573,378	610,695	587,821
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 5,242,331</b>	<b>\$ 5,048,138</b>	<b>\$ 5,595,704</b>	<b>\$ 6,336,304</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for services				
General government	\$ 416,333	\$ 417,211	\$ 395,253	\$ 391,605
Building and zoning	403,122	281,282	528,395	904,290
Public safety	153,834	150,566	177,440	147,819
Public works	446,200	20,000	44,000	69,012
Parks and recreation	55,793	73,417	125,560	60,328
Operating grants and contributions	318,485	239,527	265,617	340,582
Capital grants and contributions	217,542	428,619	344,094	463,240
Total governmental activities program revenues	2,011,309	1,610,622	1,880,359	2,376,876
Business-Type Activities				
Charges for services				
Aquatics	232,193	272,583	290,121	278,611
Sewer	-	-	-	-
Capital grants and contributions	-	5,374	-	-
Total business-type activities program revenues	232,193	277,957	290,121	278,611
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,243,502</b>	<b>\$ 1,888,579</b>	<b>\$ 2,170,480</b>	<b>\$ 2,655,487</b>
<b>NET (EXPENSES) REVENUES</b>				
Governmental activities	\$ (2,671,001)	\$ (2,864,138)	\$ (3,104,650)	\$ (3,371,607)
Business-type activities	(327,828)	(295,421)	(320,574)	(309,210)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSES) REVENUES</b>	<b>\$ (2,998,829)</b>	<b>\$ (3,159,559)</b>	<b>\$ (3,425,224)</b>	<b>\$ (3,680,817)</b>

	2015	2016	2017	2018	2019	2020
\$	1,808,015	\$ 2,027,037	\$ 2,089,637	\$ 1,720,488	\$ 2,324,191	\$ 1,970,667
	761,186	1,022,469	746,990	755,016	1,177,936	736,740
	2,386,651	1,914,277	1,894,294	2,062,104	2,289,091	2,057,899
	1,050,881	1,241,242	979,151	1,202,938	932,058	977,754
	1,031,292	1,025,804	1,121,580	1,283,701	1,161,028	1,184,664
	148,062	134,997	119,899	99,420	78,340	56,660
	7,186,087	7,365,826	6,951,551	7,123,667	7,962,644	6,984,384
	640,741	660,247	696,825	677,370	739,763	447,028
	115,912	157,577	279,716	304,701	446,573	611,333
	756,653	817,824	976,541	982,071	1,186,336	1,058,361
\$	7,942,740	\$ 8,183,650	\$ 7,928,092	\$ 8,105,738	\$ 9,148,980	\$ 8,042,745
\$	398,519	\$ 401,282	\$ 416,408	\$ 442,199	\$ 418,092	\$ 373,975
	1,199,716	1,200,388	905,187	903,415	1,332,549	856,749
	153,428	143,872	173,984	192,614	170,480	96,455
	-	-	-	-	-	-
	208,708	193,084	179,774	178,213	116,632	115,230
	201,303	208,033	207,320	213,158	271,689	692,224
	40,983	107,599	196,039	100,058	149,796	219,269
	2,202,657	2,254,258	2,078,712	2,029,657	2,459,238	2,353,902
	312,671	423,518	329,191	348,639	319,027	72
	29,567	44,441	59,213	435,999	499,717	571,675
	-	72	-	-	-	-
	342,238	468,031	388,404	784,638	818,744	571,747
\$	2,544,895	\$ 2,722,289	\$ 2,467,116	\$ 2,814,295	\$ 3,277,982	\$ 2,925,649
\$	(4,983,430)	\$ (5,111,568)	\$ (4,872,839)	\$ (5,094,010)	\$ (5,503,406)	\$ (4,630,482)
	(414,415)	(349,793)	(588,137)	(197,433)	(367,592)	(486,614)
\$	(5,397,845)	\$ (5,461,361)	\$ (5,460,976)	\$ (5,291,443)	\$ (5,870,998)	\$ (5,117,096)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 1,845,400	\$ 1,839,594	\$ 1,852,159	\$ 1,886,580
Road and bridge	17,251	22,321	17,196	18,420
Sales	113,385	116,166	127,735	179,487
Amusement	-	2,801	1,312	2,566
Cannabis	-	-	-	-
Telecommunications and utility	653,258	603,957	607,417	600,113
Intergovernmental				
Use	111,736	120,732	130,782	149,254
Income	596,510	673,328	730,133	733,685
Replacement	1,460	1,546	1,725	1,761
Investment income	18,984	13,632	8,465	201,303
Miscellaneous	508,400	136,190	272,197	535,535
Transfers in (out)	(245,783)	(119,605)	(259,849)	(298,256)
Total governmental activities	3,620,601	3,410,662	3,489,272	4,010,448
Business-Type Activities				
Investment income	5,875	2,662	964	887
Connection fees	-	-	-	-
Miscellaneous	1,199	2,777	41,759	601
Transfers in	245,783	119,605	259,849	298,256
Total business-type activities	252,857	125,044	302,572	299,744
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,873,458</b>	<b>\$ 3,535,706</b>	<b>\$ 3,791,844</b>	<b>\$ 4,310,192</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 949,600	\$ 546,524	\$ 384,622	\$ 638,841
Business-type activities	(74,971)	(170,377)	(18,002)	(9,466)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 874,629</b>	<b>\$ 376,147</b>	<b>\$ 366,620</b>	<b>\$ 629,375</b>

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	1,880,861	\$ 1,926,474	\$ 2,002,924	\$ 2,091,434	\$ 2,175,679	\$ 2,267,045
	17,361	17,532	16,923	17,066	17,092	16,999
	177,840	182,942	188,927	192,156	199,368	211,744
	6,595	2,217	1,972	102	1,322	1,148
	-	-	-	-	-	5,768
	558,460	539,486	529,351	549,171	509,656	489,656
	170,628	182,558	201,471	238,969	282,824	362,089
	815,367	745,947	703,840	767,716	888,554	907,169
	1,885	1,662	1,766	1,502	2,100	1,756
	159,208	156,056	156,886	140,977	98,964	31,602
	835,773	815,746	237,540	273,048	337,316	331,299
	(2,778,533)	(560,000)	(45,000)	(100,000)	(254,733)	(258,265)
	1,845,445	4,010,620	3,996,600	4,172,141	4,258,142	4,368,010
	1,696	2,550	5,548	6,909	6,891	3,511
	276,000	368,287	481,975	-	-	-
	156	378	172	644	458	-
	2,778,533	560,000	45,000	100,000	254,733	258,265
	3,056,385	931,215	532,695	107,553	262,082	261,776
\$	4,901,830	\$ 4,941,835	\$ 4,529,295	\$ 4,279,694	\$ 4,520,224	\$ 4,629,786
\$	(3,137,985)	\$ (1,100,948)	\$ (876,239)	\$ (921,869)	\$ (1,245,264)	\$ (262,472)
	2,641,970	581,422	(55,442)	(89,880)	(105,510)	(224,838)
\$	(496,015)	\$ (519,526)	\$ (931,681)	\$ (1,011,749)	\$ (1,350,774)	\$ (487,310)

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL FUND</b>				
Nonspendable				
Prepaid items	\$ 168,988	\$ 187,049	\$ 35,145	\$ 65,615
Advance to other funds	-	-	-	-
Assigned				
Cash reserves	742,454	1,173,612	1,192,322	1,332,063
Unassigned	-	278,684	528,117	546,020
<b>TOTAL GENERAL FUND</b>	<b>\$ 911,442</b>	<b>\$ 1,639,345</b>	<b>\$ 1,755,584</b>	<b>\$ 1,943,698</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable				
Prepaid items	\$ -	\$ 867	\$ 17,332	\$ 17,332
Restricted				
Highway and streets	368,909	469,169	498,996	568,544
Debt service	-	320	6,243,097	5,749,639
Capital improvements	293,991	270,966	249,360	294,601
Special recreation	284,527	342,279	438,674	485,350
Assigned				
Capital improvements	995,561	897,302	1,280,026	1,676,407
Parks and recreation	-	28,708	27,621	-
Sister Cities	-	-	-	2,677
Unassigned	-	-	-	(89,539)
<b>TOTAL ALL OTHER GOVERNMENT FUNDS</b>	<b>\$ 1,942,988</b>	<b>\$ 2,009,611</b>	<b>\$ 8,755,106</b>	<b>\$ 8,705,011</b>

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 71,296	\$ 42,758	\$ 83,240	\$ 41,606	\$ 43,096	\$ 31,758
-	-	-	-	26,375	26,375
1,351,238	1,420,913	1,405,369	1,434,650	1,519,675	1,495,192
776,900	10,575	81,242	606,775	616,173	931,601
<u>\$ 2,199,434</u>	<u>\$ 1,474,246</u>	<u>\$ 1,569,851</u>	<u>\$ 2,083,031</u>	<u>\$ 2,205,319</u>	<u>\$ 2,484,926</u>
\$ 17,852	\$ 17,852	\$ 18,409	\$ 30,565	\$ 21,659	\$ -
447,050	368,897	317,374	332,827	277,284	504,412
5,418,760	4,461,500	3,771,188	3,079,847	2,371,184	1,606,285
-	-	-	-	-	-
460,220	478,643	510,535	366,362	507,387	615,413
2,084,580	2,578,211	2,055,927	1,230,920	743,144	333,017
-	-	-	-	-	-
4,294	5,112	6,604	7,437	8,933	9,293
(179,798)	(133,595)	(190,816)	(221,467)	(503,068)	(790,868)
<u>\$ 8,252,958</u>	<u>\$ 7,776,620</u>	<u>\$ 6,489,221</u>	<u>\$ 4,826,491</u>	<u>\$ 3,426,523</u>	<u>\$ 2,277,552</u>

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>REVENUES</b>				
Taxes	\$ 2,629,294	\$ 2,584,839	\$ 2,605,818	\$ 2,651,562
Licenses, permits and fees	975,051	945,277	1,398,578	1,850,366
Intergovernmental	1,203,190	1,208,133	1,140,233	1,448,439
Investment income	18,984	13,632	8,465	201,303
Contribution from property owners	-	-	30,580	114,838
Miscellaneous	1,051,174	455,258	422,806	419,072
<b>Total revenues</b>	<b>5,877,693</b>	<b>5,207,139</b>	<b>5,606,480</b>	<b>6,685,580</b>
<b>EXPENDITURES</b>				
General government	1,380,475	1,194,467	1,284,758	1,403,087
Building and zoning	268,975	330,120	468,692	790,529
Public safety	1,273,349	1,261,662	1,275,287	1,419,335
Public works	853,134	784,597	802,468	947,117
Parks and recreation	251,742	280,814	359,201	574,735
Capital outlay	328,690	422,837	456,632	318,824
Debt service				
Principal	14,193	15,076	46,597	605,000
Interest and fiscal charges	4,318	3,435	102,925	190,678
<b>Total expenditures</b>	<b>4,374,876</b>	<b>4,293,008</b>	<b>4,796,560</b>	<b>6,249,305</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,502,817</b>	<b>914,131</b>	<b>809,920</b>	<b>436,275</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	97,629	466,250	216,827	409,940
Transfers (out)	(343,412)	(585,855)	(476,676)	(708,196)
Debt certificates issued at par	-	-	6,240,000	-
Premium of debt certificates issued	-	-	71,663	-
<b>Total other financing sources (uses)</b>	<b>(245,783)</b>	<b>(119,605)</b>	<b>6,051,814</b>	<b>(298,256)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,257,034</b>	<b>\$ 794,526</b>	<b>\$ 6,861,734</b>	<b>\$ 138,019</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>0.43%</b>	<b>0.45%</b>	<b>3.27%</b>	<b>13.42%</b>

Data Source

Audited Financial Statements

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 2,584,873	\$ 2,612,973	\$ 2,687,035	\$ 2,794,289	\$ 2,850,485	\$ 2,934,874
2,124,849	2,402,311	1,791,997	1,796,373	2,182,666	1,614,571
1,247,627	1,274,643	1,202,765	1,324,217	1,636,553	2,229,587
159,208	156,056	156,886	140,977	98,964	31,602
-	-	-	-	-	-
710,078	378,895	281,629	245,942	203,445	169,543
6,826,635	6,824,878	6,120,312	6,301,798	6,972,113	6,980,177
1,657,116	1,795,348	1,893,610	1,612,205	2,085,030	1,851,873
683,338	944,272	685,010	699,092	1,090,224	709,586
1,552,381	1,659,150	1,792,619	1,894,357	1,911,305	2,005,546
894,609	913,322	807,503	825,380	910,522	1,000,567
704,703	676,472	800,923	985,192	796,474	818,597
164,972	648,821	489,847	537,778	405,011	410,063
645,000	655,000	670,000	690,000	710,000	730,000
155,469	142,519	127,594	107,344	86,494	65,044
6,457,588	7,434,904	7,267,106	7,351,348	7,995,060	7,591,276
369,047	(610,026)	(1,146,794)	(1,049,550)	(1,022,947)	(611,099)
719,364	1,582,594	568,137	190,000	190,000	90,000
(1,284,728)	(2,142,594)	(613,137)	(290,000)	(444,733)	(348,265)
-	-	-	-	-	-
-	-	-	-	-	-
(565,364)	(560,000)	(45,000)	(100,000)	(254,733)	(258,265)
\$ (196,317)	\$ (1,170,026)	\$ (1,191,794)	\$ (1,149,550)	\$ (1,277,680)	\$ (869,364)
12.55%	11.15%	11.38%	11.09%	10.23%	11.23%

**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>
2010	\$ 475,634,164	\$ 6,378,401	\$ 2,868,569	\$ 48,726	\$ 484,929,860	0.381	\$ 1,454,789,580	33.333%
2011	432,886,729	6,690,474	2,975,100	44,489	442,596,792	0.416	1,327,790,376	33.333%
2012	392,631,863	7,087,727	2,530,103	35,767	402,285,460	0.460	1,206,856,380	33.333%
2013	377,383,011	6,382,113	2,615,038	79,320	386,459,482	0.489	1,159,378,446	33.333%
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%

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

Note: 2020 property tax information not available at the time of printing.

Data Source

Office of the Lake County Clerk

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
ELA TOWNSHIP

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Village Direct Rates (A)</b>				
Corporate	0.086	0.061	0.068	0.124
Police protection	0.147	0.190	0.229	0.239
Street and bridge - Ela	0.079	0.092	0.087	0.047
Audit tax	0.004	0.005	0.005	0.006
Liability insurance	0.025	0.028	0.031	0.033
Unemployment insurance	0.000	0.000	0.000	0.000
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	0.381	0.416	0.460	0.489
<b>Special Service Areas</b>				
SSA #1 (B)	0.229	0.253	0.279	0.267
SSA #2	0.135	0.149	0.166	0.161
SSA #3	0.214	0.242	0.271	0.259
Total direct rate with SSAs	0.959	1.060	1.176	1.176
<b>Overlapping Rates</b>				
Lake County	0.505	0.554	0.608	0.663
Lake County Forest Preserve	0.198	0.201	0.212	0.218
Ela Township - Corp.	0.091	0.099	0.088	0.100
Ela Township - R & B	0.008	0.009	0.010	0.057
Ela Township - Gravel	0.039	0.042	0.030	0.000
School District #95	4.136	4.446	4.914	5.242
School District #96	3.086	3.453	3.756	3.976
School District #79	2.663	2.937	3.267	3.521
Consolidated H.S. District #125	2.306	2.465	2.751	2.989
Community College #532	0.218	0.240	0.272	0.296
Ela Area Library	0.329	0.356	0.386	0.409
Countryside Fire District	0.422	0.495	0.552	0.597
Lake Zurich Fire District	0.607	0.504	0.654	0.695
Wauconda Fire District	0.480	0.530	0.614	0.681
Long Grove Fire District	0.616	0.692	0.766	0.812
<b>TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION</b>	<b>16.663</b>	<b>18.083</b>	<b>20.056</b>	<b>21.432</b>
<b>SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF HAWTHORN WOODS</b>	<b>3.66%</b>	<b>3.70%</b>	<b>3.68%</b>	<b>3.53%</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: 2020 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

2014	2015	2016	2017	2018	2019
0.128	0.117	0.138	0.108	0.048	0.078
0.242	0.273	0.236	0.245	0.311	0.287
0.028	0.000	0.000	0.000	0.000	0.000
0.005	0.006	0.005	0.005	0.005	0.004
0.046	0.045	0.043	0.039	0.039	0.035
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.021	0.020	0.021
0.040	0.040	0.040	0.040	0.040	0.040
0.489	0.481	0.462	0.458	0.463	0.465
0.267	0.257	0.243	0.237	0.231	0.230
0.165	0.160	0.148	0.138	0.130	0.126
0.261	0.251	0.241	0.233	0.231	0.224
1.182	1.149	1.094	1.066	1.055	1.045
0.682	0.663	0.632	0.622	0.611	0.596
0.210	0.208	0.193	0.187	0.182	0.179
0.100	0.098	0.095	0.093	0.093	0.094
0.055	0.055	0.053	0.010	0.010	0.010
0.000	0.000	0.000	0.042	0.042	0.042
5.291	5.191	5.021	4.960	5.020	4.985
4.040	3.870	3.690	3.655	3.716	3.766
3.606	3.514	3.298	3.209	3.176	3.196
3.049	3.004	2.858	2.862	2.888	2.871
0.306	0.299	0.285	0.281	0.281	0.281
0.410	0.398	0.381	0.371	0.318	0.319
0.613	0.598	0.570	0.559	0.563	0.565
0.705	0.542	0.601	0.488	0.520	0.525
0.709	0.699	0.662	0.652	0.656	0.659
0.830	0.798	0.770	0.750	0.776	0.815
21.788	21.086	20.203	19.807	19.907	19.948
3.47%	3.50%	3.49%	3.51%	3.49%	3.48%

VILLAGE OF HAWTHORN WOODS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2019 Tax Levy			2010 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Quentin 37 LLC	\$ 1,260,403	1	0.26%			
Chicago Title Land Trust Co	1,129,605	2	0.23%			
Hawthorn Woods Country Club LLC	1,011,816	3	0.21%	\$ 1,684,827	1	0.35%
Aqua Illinois, Inc. Regional Office	892,478	4	0.18%	755,243	4	0.16%
Toll Brothers Inc	881,811	5	0.18%	1,415,436	2	0.29%
Individual	724,532	6	0.15%			
Chicago Title Land Trust Company	698,418	7	0.14%			
A L I Holdings LLC	571,994	8	0.12%			
AGP Investments LLC	551,919	9	0.11%			
Tauke Properties	545,262	10	0.11%			
Toll Brothers				848,197	3	0.17%
Individual				611,651	5	0.13%
Kildeer Two, LLC				550,058	6	0.11%
Individual				537,511	7	0.11%
Individual				526,945	8	0.11%
Boss Hob, LLC				487,719	9	0.10%
Individual				483,756	10	0.10%
	<u>\$ 8,268,238</u>		<u>1.69%</u>	<u>\$ 7,901,343</u>		<u>1.63%</u>

Notes: 2019 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

Levy Year	Tax Levied (B)	Levy Collections	
		Amount	Percentage of Levy
2011	\$ 2,859,307	\$ 2,857,044	99.92%
2012	3,063,563	3,062,408	99.96%
2013	3,021,539	2,923,682	96.76%
2014	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 (A)	3,559,307	N/A	N/A

(A) Collections for the 2020 Tax Levy Year will not be received until fiscal year 2021.

(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			
2011	\$ -	\$ -	\$ 61,673	\$ -	\$ 2,895,000	\$ 13,456	\$ 2,970,129	0.90%	\$ 388
2012	-	-	46,597	-	2,760,000	12,380	2,818,977	0.85%	366
2013	-	6,311,663	-	-	2,625,000	11,774	8,948,437	2.71%	1,168
2014	-	5,699,715	-	-	2,485,000	11,146	8,195,861	2.48%	1,070
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

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 98 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, 2020

<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	\$ 1,552,629	100.000%	\$ 1,552,629
Lake County, including Forest Preserve District	354,595,000	1.795%	6,363,347
Mundelein Park District	2,805,000	0.079%	2,213.94
Countryside Fire Protection District	2,500,000	11.530%	288,251.35
Village of Hawthorn Woods SSA#1	511,000	100.000%	511,000
Village of Hawthorn Woods SSA#2	511,000	100.000%	511,000
Village of Hawthorn Woods SSA#3	511,000	100.000%	511,000
Village of Hawthorn Woods SSA#4	1,440,000	100.000%	1,440,000.00
School District #79	8,914,860	22.053%	1,965,963
Community Unit School District #95	72,465,000	14.996%	10,866,938
High School District #120	9,742,134	6.122%	596,447
High School District #125	41,065,000	3.752%	1,540,557
Community College District #532	47,300,000	1.886%	891,991
<b>TOTAL OVERLAPPING DEBT</b>	<u><u>\$ 542,359,994</u></u>		<u><u>\$ 25,488,708</u></u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 543,912,623</u></u>		<u><u>\$ 27,041,337</u></u>

(A) Gross debt is calculated as of December 31, 2020.

(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 2019 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>
2011	\$ 233,618	\$ 105,000	\$ 96,805	\$ 1.16
2012	275,360	135,000	120,610	1.08
2013	290,583	135,000	117,910	1.15
2014	279,196	140,000	114,535	1.10
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	-

\*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, 2020

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Maximum allowable general obligation debt (8.625% of assessed valuation of \$488,268,787)	\$ 42,113,183
General obligation bonds	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<b><u><u>\$ 42,113,183</u></u></b>

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>
2011	7,663	\$ 330,727,417	\$ 43,159	8.60%
2012	7,663	330,727,417	43,159	8.70%
2013	7,663	330,727,417	43,159	8.20%
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%

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	2020			2011		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Hawthorn Woods Country Club - Kemper Sports	90.0	1	1.1%	70.0	2	0.9%
Community Unit School District 95	70.0	2	0.8%	90.0	1	1.2%
Village of Hawthorn Woods	35.0	3	0.4%	22.0	6	0.3%
Hawthorn Gardens	35.0	4	0.2%	27.0	4	0.4%
Country Bumpkin	20.0	5	0.3%	20.0	7	0.3%
The Goddard School	20.0	6	0.2%			
Oreganos	17.0	7	0.2%			
St. Matthew Lutheran Church and School	15.0	8	0.2%	19.0	8	0.2%
Kiddie Academy	12.0	9	0.1%			
Inland Bank	10.0	10	0.1%			
RH Insurance				14.0	9	0.2%
Barn Nursery				22.0	5	0.3%
Toddler Tyme				13.0	10	0.2%
Toll Brothers				45.0	3	0.6%
<b>TOTAL</b>	<u>324</u>			<u>342</u>		

Data Source

**VILLAGE OF HAWTHORN WOODS, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>GENERAL GOVERNMENT</b>										
Administration	2.0	4.0	4.0	2.0	3.0	3.0	3.0	2.0	2.0	2.0
Finance	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building and zoning	2.0	2.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Parks and recreation	1.0	1.0	1.0	2.0	5.0	4.0	4.0	4.0	4.0	5.0
<b>PUBLIC SAFETY</b>										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Officers	9.0	9.0	9.0	10.0	12.0	12.0	12.0	12.0	12.0	12.0
<b>HIGHWAYS AND STREETS</b>										
Administration	1.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Street maintenance	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>TOTAL</b>	<b>22.0</b>	<b>25.0</b>	<b>26.0</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>

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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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	138	132	81	70	79	83	87	107	106	46
Parking violations	638	767	1,426	1,011	662	647	515	454	306	188
Traffic violations	2,009	1,235	1,783	743	1,028	1,123	1,550	1,790	1,142	767
<b>PUBLIC WORKS</b>										
Vehicles maintained by department	20.0	21.0	22.0	24.0	25.0	26.0	27.0	27.0	27.0	27.0
Street reconstruction (miles)	-	-	-	-	-	-	-	-	-	-
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>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</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	58.0	58.0	58.0	52.0	52.0	53.5
Streetlights	38	38	38	53	53	53	63	63	63	75
Traffic signals	2	2	2	2	2	2	2	2	2	2
<b>WASTEWATER</b>								24.700	24.700	26.400
Miles of storm sewers	24	24	24	24	24	24	24.7			
Miles of sanitary sewers	-	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
Lift stations	-	2	2	2	2	2	2	2	2	2

Data Source

Various village departments