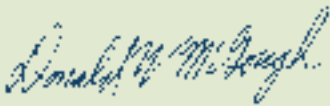


Supervisory Committee Report

The function of the Supervisory Committee is to assure that the operations of Hawthorne Credit Union are conducted accurately, efficiently, and in accordance with generally accepted accounting principles and practices. Regular monthly internal audits are conducted under the directions of the Committee, and an annual examination is performed by the Credit Union Division of the Illinois Department of Financial and Professional Regulation. Additionally, in accordance with the legal requirements of the State of Illinois, an independent certified public accounting firm is employed to audit the affairs of our credit union.

The results of these reviews are reported to the Board of Directors, who take action when necessary to maintain the integrity and solid financial position of Hawthorne Credit Union. Any member may, upon request, examine the detailed audit reports, which are accessible at the Hawthorne Credit Union office.



Donald W. McGough
Chairperson, Supervisory Committee

Executive Direction

BOARD OF DIRECTORS OFFICERS

David W. Anderson
James F. Bergeron
Barbara L. Gunning
William C. Hanen
Roger A. Hart
James A. Maratea
Donald W. McGough
Edward J. Schmitt
Carl J. Sorgatz
Thomas W. Bursh
(Director Emeritus)

Chairman
James A. Maratea

Vice Chairman
William C. Hanen

Secretary
Edward J. Schmitt

President/Treasurer
Carl J. Sorgatz

Executive Vice President
E.J. Donaghey

*Vice President, Finance
& Information Technology*
Shanna T. Crawford

*Vice President,
Commercial Services*
C. Gary Loechle

Vice President, Marketing
Sandy M. Brillowski

EXECUTIVE COMMITTEE

Chairman
James A. Maratea

Vice Chairman
William C. Hanen

Treasurer
Carl J. Sorgatz

James F. Bergeron

SUPERVISORY COMMITTEE

Chairman
Donald W. McGough

Thomas W. Bursh
David W. Anderson

NAPERVILLE BRANCH
1519 N. Naper Boulevard

BOLINGBROOK BRANCH
267 S. Weber Road

**ALCATEL-LUCENT
INDIAN HILL BUILDING**
Naperville, IL

MAILING ADDRESS
Hawthorne Credit Union
P.O. Box 3046
Naperville, IL 60566-9738

CONTACT US AT:
memberservice@eHawthorne.org
630-369-4070
Outside Illinois at 800-848-1697
www.eHawthorne.org



Looking out for you!





2007

ANNUAL REPORT

Our People are { *our*
Roots



HAWTHORNE
CREDIT UNION

Looking out for you!

President and Chairman's Report



The year 2007 offered opportunities, successes as well as challenges for Hawthorne Credit Union. Our focus was on community involvement and member education, for which received recognition for our efforts. Our achievements drive us toward what we believe is our key factor for success: to be our members' trusted financial advisor.

Hawthorne continues to be a steadfast, strong financial institution. We regained ground financially while maintaining a generous give-back to members on rates and fees, and keeping our strong capital position. Areas of particular strength were in our Visa credit card portfolio, which exceeded \$11 million. And Commercial Services continues to thrive, forming relationships with local business owners and increasing outstandings by 31% to over \$10 million.

We helped members prevent identity theft by offering free document shredding on six occasions in 2007.

We expanded our commitment to assisting our members by adding the Balance Financial Fitness Program to our services. Balance offers free and confidential access to financial counseling and education.

We're proud of our continuing commitment to the communities that we serve. Our Relay for Life team walked through the night to raise money for cancer research. In September, it was our privilege to collect more than 235 pounds of personal care and comfort items for care package items for troops serving overseas for Operation Support Our Troops-Illinois.



In Naperville we supported Families Helping Families, an organization that assists families in transition, by participating in the annual Family Fun Walk and offering Financial Literacy Training classes for their clients. We shopped and wrapped more than 40 gifts for developmentally disabled adults as part of the Little Friends Giving Tree program. We became a member of Naperville Community Television and increased our participation in the Naperville Chamber of Commerce to the Executive Premier level.

In Bolingbrook, our Bags for Hunger effort collected a record number of non-perishable food items. The Bolingbrook Park District DanceForce benefited from our sponsorship of their annual Dance Festival. We sponsored a local teacher to attend the Colonial Williamsburg Teacher education program in Williamsburg, Virginia. Our efforts earned us the Best of Bolingbrook Business award by the Bolingbrook Chamber of Commerce in the Finance Division.

In support of the credit union industry, Carl Sorgatz served as the Chairman of the Board of Directors of the Illinois Credit Union League. As chairman, one of his major initiatives has been to increase awareness among Illinois consumers about the benefits of credit union membership. This initiative will culminate in 2008 in two statewide advertising campaigns. His participation at a state level demonstrates his dedication to the success of Hawthorne and all credit unions throughout Illinois.

As always, we rely on the tremendous efforts of our professional staff of employees and the support and dedication of our volunteer Board of Directors. Without their loyalty and enthusiasm, such successes would not be possible. We look forward to a promising future in 2008.



Carl J. Sorgatz
President & CEO

James A. Maratea
Chairman of the Board

Statement of Financial Condition

December 31	2007	2006
ASSETS		
Loans to members, net of allowance for loan losses	\$117,386,030	\$128,021,749
Investments	13,959,670	20,723,768
Cash	330,276	375,576
Accrued interest receivable	528,437	660,507
Property and equipment, net	5,710,921	5,936,621
NCUSIF deposit	1,183,511	936,198
Prepaid interest and other assets	3,700,486	3,933,332
Total Assets	\$142,799,331	\$160,587,751
Liabilities and Members' Equity		
LIABILITIES		
Accrued expenses and other liabilities	\$3,764,032	\$12,897,906
Non-member funds	0	500,000
Total Liabilities	\$3,764,032	\$13,397,906
Commitments and Contingencies		
MEMBERS' EQUITY		
Members' share accounts	\$127,926,499	\$136,137,297
Retained earnings, substantially restricted	11,108,800	11,052,548
Total Members' Equity	139,035,299	147,189,845
Total Liabilities and Equity	\$142,799,331	\$160,587,751