

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aaa to Northbrook, IL's Series 2024 GO refunding bonds

14 May 2024

New York, May 14, 2024 -- Moody's Ratings (Moody's) has assigned a Aaa rating to the Village of Northbrook, IL's General Obligation Refunding Bonds, Series 2024 with an expected par amount of approximately \$8.8 million. Moody's maintains the village's Aaa issuer rating and Aaa rating on outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the village will have about \$105.5 million in outstanding GOULT debt.

RATINGS RATIONALE

The Aaa issuer rating reflects the village's strong economic profile with full value per capita of \$265,000 and median resident income that is 190% of the nation. Preliminary results for fiscal 2024 (April 30 year-end) indicate a modest general fund surplus, which will leave reserves around 70% of total annual revenue. Long-term liabilities are elevated for the rating category at 390%, but likely to moderate beyond the next few years from improved pension contribution practices.

The Aaa GOULT rating is at the same level as the issuer rating based on the village's full faith and credit pledge and availability of an unlimited property tax for debt service.

RATING OUTLOOK

Moody's does not assign an outlook to local government issuers with this amount of outstanding debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Decline in reserves or net cash below 40%

- Increase in long-term liabilities above 500%

LEGAL SECURITY

The village GOULT bonds are supported by a full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount.

USE OF PROCEEDS

Proceeds from the Series 2024 bonds will refund a portion of the village's outstanding Series 2013A and Series 2013B bonds for net present value savings with no extension of final maturity.

PROFILE

The Village of Northbrook is located in Cook County (A1 stable) in northeastern Illinois (A3 positive), and is a suburb within the Chicago (Baa3 positive) metro area, approximately 20 miles northwest of the Loop. The village's estimated population is just under 35,000.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moodys.com/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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