

Popular Annual Financial Report

Village of Northbrook

FOR THE FISCAL YEAR
ENDED APRIL 30, 2023

Board of Trustees

Kathryn L. Ciesla, President
Robert P. Israel
Muriel J. Collison
Heather E. Ross
Johannah K. Hebl
Daniel H. Pepoon
Joy U. Ebhomielen

Village Clerk

Debra J. Ford



Inside:

GFOA Award	2
Local Economy	2
Council-Manager Government	3
Village History	3
Accomplishments	4
Planned Initiatives	4
General Fund Revenues	5
General Fund Operating Results	5
General Fund Expenditure	6
Village Share of Property Tax	7
Property Tax Rate	7
Invested Resources	8
Statement of Net Position	8
Statement of Activities	9
Enterprise Management Funds	10
Debt to Finance Capital Projects	11
Contact Information	12
Resident Feedback	12
Village's Map	12

A Message to the Village of Northbrook

Dear Reader,

On behalf of the Village Board and staff, thank you for taking the time to review the 19th edition of our Popular Annual Financial Report (PAFR). You are commended for your interest in gaining an understanding of the Village of Northbrook from a financial perspective. Previous editions of the PAFR received recognition from the Government Finance Officers' Association and we are proud of this accomplishment and hope that you will continue to benefit from our award-winning publication. Our goal is to communicate important financial information in a manner that is easily understood. Having a clear picture of how your government is administered is important.



The financial information contained in the PAFR is only a snapshot of data presented in our Annual Comprehensive Financial Report (ACFR). We have selected what we believe to be the most relevant and interesting data. Feel free to comment on the report and tell us what you would like to see in future editions. After all, this report is intended to be a tool for readers regardless of financial background or training. You should also know that this report is not intended to replace the full disclosure financial statements that can be viewed in our ACFR at northbrook.il.us/finance. By reading this report, you will be able to gain a general understanding and summary of the Village's financial activities and position for the fiscal year ended April 30, 2023.

Lastly, we encourage you to continue taking an active part in your local government and community. While the elected officials and administration of the Village of Northbrook are committed to financial accountability and soundness, our financial capacity is greatly magnified when Northbrook residents invest their resources of time and talents to benefit the Community. Thank you for partnering with us!

Sincerely,

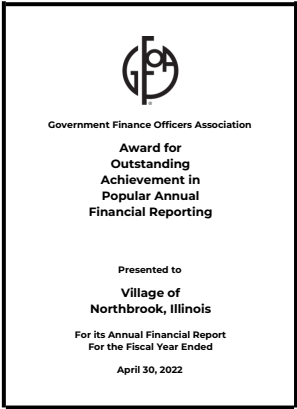
Kathryn Ciesla
Village President



Village of Northbrook Garners 18th Consecutive Award

The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award of Outstanding Achievement in Popular Annual Financial Reporting to the Village of Northbrook for its Popular Annual Financial Report for the fiscal year ended April 30, 2022.

This prestigious, national award recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The Village of Northbrook believes our current report continues to conform to the Popular Annual Reporting requirements and we are submitting it to the GFOA.



Northbrook’s Local Economy

The Village has continued to economically recover from the coronavirus pandemic in part due to wide range of employment, a diversity of industrial, commercial and office development and geographic factors that contribute to a strong local economy demonstrated by a solid sales tax, including remote sellers tax, and income tax. These revenues allow for property tax to comprise less than 20 percent of total General Fund revenues. The Village is able to offer a high level of governmental services to its residents and businesses at relatively low tax rates resulting from diversified Village revenues.

As the location for a number of corporate headquarters, Northbrook has the additional distinction as a residential community for a number of corporate executives and of high home values, which contributes to the Village’s greater than average median household income and affluent population of 35,222. The commercial and light industrial development in the community offers convenient transportation and proximity to Chicago.

The Village has substantial land area dedicated for corporate offices and commercial shopping centers. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters’ Laboratories, Inc., Barilla America and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for United Parcel Service.

The retail sector additionally includes the 417,000-square foot Willow Festival shopping center, the 335,000-square foot Village Square shopping center and Northbrook Court which is poised for complete redevelopment of the 100+ acre property. The Village’s partnership with Brookfield Properties Development for redevelopment of Northbrook Court is a high priority. The careful planning and development of Northbrook helps to ensure a stable economic base for the foreseeable future and despite the many changes taking place in the world of retailing, the Village’s retail market maintained a low 6.8 vacancy rate as of April 2023.

Redevelopment continues in downtown Northbrook. With the addition of new restaurants and retailers, as well as the expansion of an existing restaurant, the vacancy in the downtown remains low. The Village approved a drive-thru Starbucks Coffee to be located at the entrance to the downtown region of the community. The Village also added additional streetscape and areas for expanded outdoor dining throughout the downtown which has assisted in providing additional outdoor gathering spaces.

Redevelopment of existing infill sites continues throughout the community with new homes replacing older homes, as well as an increase in the number of home remodeling and additions. The high quality public school system and the park system are a major draw for new residents and have led to the community’s high residential property values and strong real estate market.

Northbrook Numbers at a Glance

Population	35,222
Median Income	\$143,506
Median Age	50
Unemployment Rate	4/2023 - 2.9%
Median Home Value	\$571,400
Number of FT Employees, FY 2023	275
Equalized Assessed Valuation, TY 2021	\$2,652,818,431
Total Households	13,395

Sources: Village of Northbrook Finance Department, 2017-2021 American Community Survey 5-Year Estimates, 2020 US Census, GIS Consortium & Illinois Department of Employment Security

Professionalism Abounds in Northbrook’s Council-Manager Form of Government

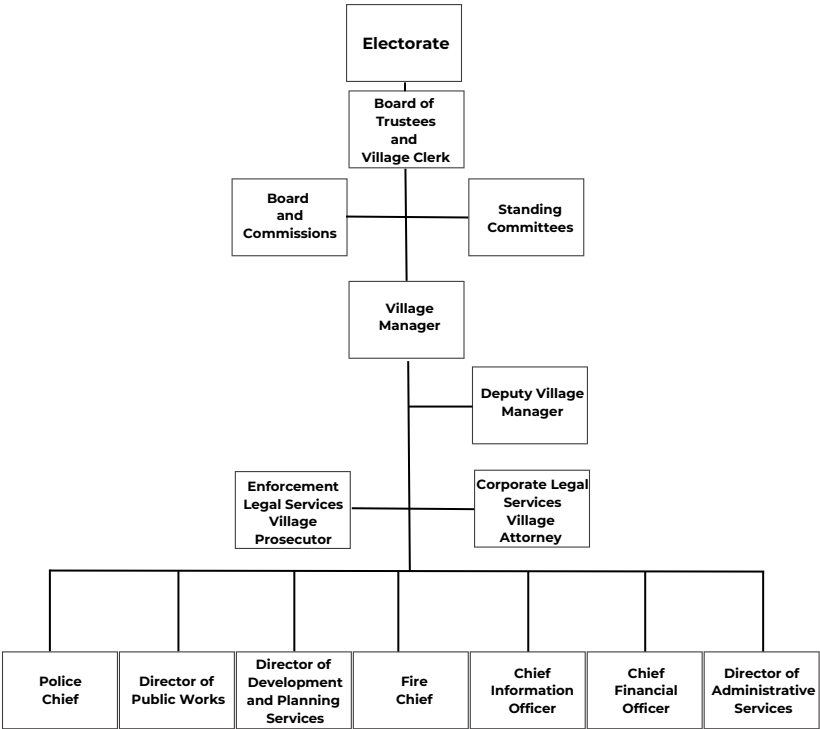
Born out of the U.S. progressive reform movement at the turn of the 20th century, the council-manager system was designed to create professionalism in local government by promoting effective management within a responsive and accountable structure.

Council-manager government combines the strong political leadership of elected officials with the strong managerial experience of an appointed village manager. Power and authority to set policy rests with an elected governing body, which includes a chairperson and members of the council, commission, or board. The governing body in turn hires a nonpartisan village manager to run the day-to-day operations of the organization.

Northbrook’s council-manager form of government was adopted by a referendum in 1953. The Village President and Board of Trustees are elected by the registered voters on an at-large basis for staggered, four-year terms. The Village Board of Trustees is also assisted by a variety of advisory boards, commissions and standing committees made up of citizen volunteers. Each board, commission, or committee has their own special area of responsibility and expertise.

The Village of Northbrook is a home-rule unit of government under the 1970 Illinois Constitution.

Village of Northbrook Organization Chart



Board of Trustees as of April 30, 2023
Kathryn L. Ciesla,
Robert P. Israel, Muriel J. Collision, Heather E. Ross,
Johannah K. Hebl, Daniel H. Pepoon, Joy U. Ebhomielen

A Little Background About a Village Once Called Shermerville

The earliest recorded residents of the Northbrook area were the Potawatomi tribe under Chief Shabbona.

In 1833, the tribe ceded their land in Illinois and relocated near Council Bluffs, Iowa. Joel Sterling Sherman and his family were among the early settlers. The Sherman family bought 159 acres for \$1.25 per acre in the northwest quarter of Section 10. This is the site of the current Central Business District. Soon after Mr. Sherman bought that land, the area was named Shermerville, after Mr. Frederick Schermer, who donated the land for the first railroad station (Schermer Station and later Shermer Station). By the 1870s, the region was a farm town.

In 1901, following a close referendum, the town was incorporated as Shermerville with about 60 homes and 311 residents.

By 1921, residents felt the Shermerville name had a bad reputation. After a consent, the new name of Northbrook, submitted by Edward Landwehr, was adopted as the official name in 1923. At that time, there were 500 residents. Northbrook did not grow rapidly until after World War II when subdivisions of homes were first developed. In 1940, the population was 1,265, but by 1960 the population was 11,635.

In 1963, another growth spurt was stimulated by the completion of a water line to bring Lake Michigan water to Northbrook’s new water treatment plant. By 1970, the population had more than doubled to 25,422. The current population is 35,222, as of the 2020 US Census.

Departments Highlight Accomplishments of Fiscal Year 2023

- Developed and launched a new, refreshed Community Identity with both visual and text components to create a consistent and high-quality Village brand for communicating with both external and internal stakeholders.
- Completed negotiations for successor collective bargaining agreements with Police Sergeant, Firefighters and Local 150 unions.
- Conducted an RFP and selected a consultant to begin the process of creating a new Zoning Code.
- Amended the parking requirements for multi-tenant shopping centers to provide additional flexibility for centers as the retail landscape continues to change.
- Transitioned to a simpler cost-efficient process for issuance of contractor licenses.
- Released user friendly GIS (Geographic Information Services) applications to promote economic development and attract new businesses to Northbrook.
- Completed revised space needs and building requirements for future replacement of the Police Station, Fire Station 11 and Fleet Maintenance Garage.
- Implemented phase one of the Automated License Plate Reader program with ongoing camera installations.
- Began the three-year planning and design process for the replacement of the Village's Supervisory Control and Data Acquisition System (SCADA).
- Converted parking lot lights to LED bulbs in the West Commuter Lot.
- Conducted a review of filter media used in the treatment of drinking water at the Village's Water Plant to determine what alternative materials may be used in future filter replacements. In conjunction with this review, a preliminary review of treatment for PFAS/PFOA chemicals was conducted to determine if and how treatment for those chemicals may be incorporated into the Village's water treatment process in the future.
- Completed significant repairs to the backup generators serving the Lake Front Pump Station and Water Plant with contractor assistance.
- Continued reporting to Illinois Department of Public Health and the Metropolitan Water Reclamation District of Greater Chicago (MWRD) on stormwater water quality as part of the Wescott Park project.
- Completed the FY 2023 concrete program in conjunction with the FY 2023 water main replacement project. Began review of the concrete program and updates to the patching program.
- Continued implementation of ongoing Climate Action Plan initiatives.
- Reviewed large special event procedures with a focus on safety and security protocols. Additionally, all command officers participated in a two-day active threat training and tabletop exercise with the Fire Department.

Planned Initiatives for Fiscal Year 2024

- Complete a citizen survey benchmarked against other communities in the United States.
- Continue implementing new brand to ensure consistent use across all departments and to improve overall image of the Village.
- Begin migration of email and calendaring services to a cloud-based solution, relieving the on-premise storage and computer requirements, ensuring this is done with security in mind.
- Evaluate advanced connectivity solutions like SD-WAN (Software-Defined Wide Area Network) for primary and backup connectivity to Village facilities. This would allow for secure connectivity for staff and devices at these locations, while providing diversity and redundancy for the Village's fiber network.
- Identify locations for a future replacement of the Police Station, Fire Station 11 and Fleet Maintenance Garage.
- Continue to research and implement PFAS/PFOA filter media for the Water Plant.
- Complete the design for replacement of pipe supports and electrical conduit at the Water Plant.
- Complete the annual sanitary sewer and manhole lining programs.
- Finalize and implement a utility rate study to determine appropriate stormwater rates to sustain the utility and its programs.
- Continue to promote the program incentivizing the conversion of turf grass lawns to native plantings.
- Utilize in-house staff and contractors to televise and clean 168,960 linear feet of sanitary sewer main and inspect 779 manholes as part of the system assessment required by MWRD's Inflow and Infiltration Reduction program.
- Complete the design and construction of permanent sidewalk expansion in the Central Business District. Sidewalk locations include Shermer from Meadow to the railroad tracks and Meadow from between Shermer and the southernmost entrance to the Village Green.



Sales Taxes Continue to Provide Majority of General Operating Revenues

The General Corporate Fund is the general operating fund of the Village.

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. This fund has the most diverse sources of revenue. The principal revenue sources for FY 2023 for the General Corporate Fund continued to be sales tax on retail sales, property taxes on real property, fees for services, and the State income tax. The accompanying chart illustrates actual sales tax collection experience for the past 7 fiscal years combined with an estimate for FY 2024. FY 2023 sales taxes were 0.2% higher than FY 2022. Total General Fund revenues for FY 2023 were \$53,743,692.

Retail Sales Tax

As of April 30, 2023, the total sales tax rate was 10.00%. The state of Illinois base rate is 6.25%, with 1.00% of that amount returned to the Village. In addition, the Village imposes a 1.00% home rule sales tax. Cook County and the RTA also impose a sales tax. Below is a breakdown of the total sales tax:

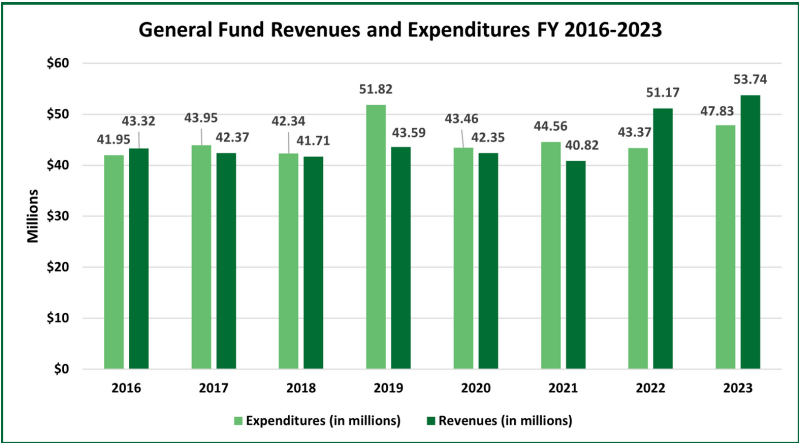
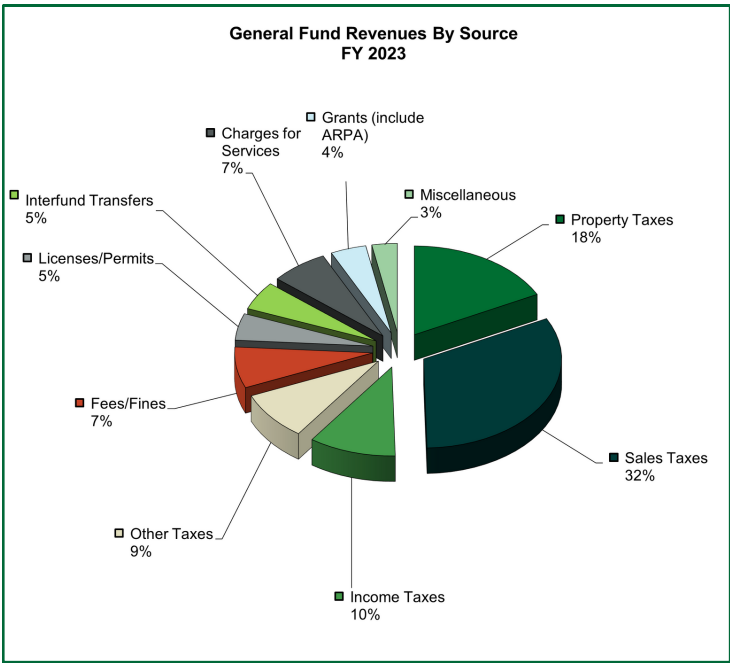
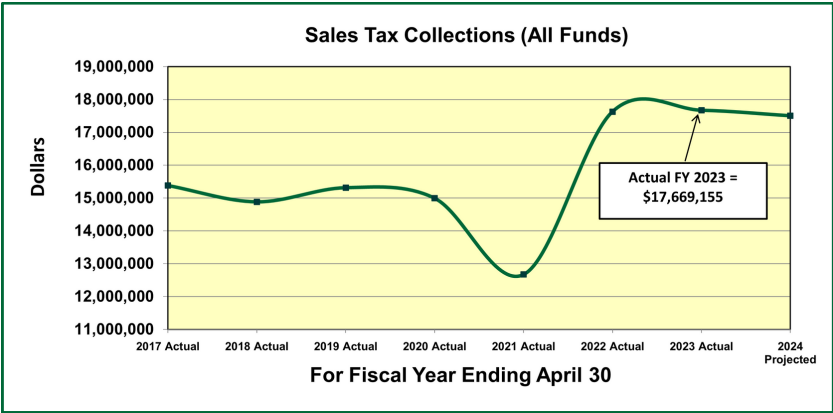
State Portion	5.00%
Village Portion	1.00%
County Portion	0.25%
<hr/>	
Subtotal Sales Tax by State Regulation	6.25%
Village Home Rule Retailers' Occupation Tax	1.00%
Cook County Home Rule Retailers' Occupation Tax	1.75%
RTA Sales Tax	1.00%
<hr/>	
Subtotal Sales Tax by Units of Home Rule	3.75%
<hr/>	
Total Sales Tax - General Merchandise	10.00%

Effective July 1, 2018, the rate of the local home rule sales tax increased from .75% to 1.00%. The increased rate is in line with the prevailing rate charged by municipalities in the area. The home rule sales tax is not applied to sales of automobiles, groceries, and medicine. Effective January 1, 2021, the Village started collecting local portion of sales tax from sales made by certain remote sellers.

General Fund Operating Results for FY 2023

The General Fund reported an overall surplus of \$5.9 million. The second and final installment of ARPA funds of \$2.24 million was accounted for as lost revenue and deposited into the General Fund. Revenues were \$3.9 million, or 7.8% over budget, mainly due to higher than expected revenues from income taxes, replacement taxes, business permits, ambulance fees and investment income.

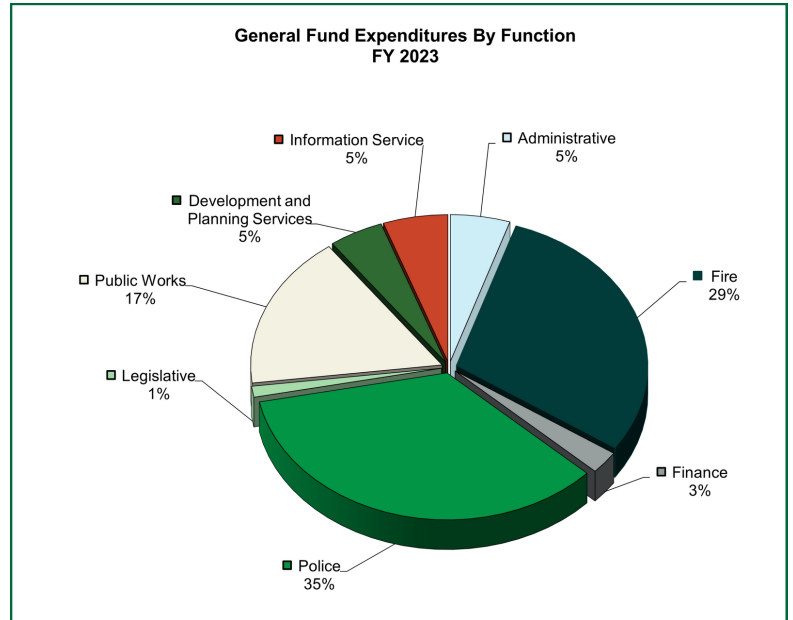
At April 30, 2023, Unassigned General Fund balance was about \$30 million or 56% of General Fund revenues. The Village Board has made it a policy objective to maintain an unreserved General Fund balance equal to 40% of revenues and to set aside 70% of the fund balance amount above the 40% reserve policy (aka surplus fund balance) for facility needs in Fire, Police and Public Works in a Facility Capital Projects Fund. Pursuant to the Board's policy, an interfund transfer of \$5.9 million will be made from the General Fund into the Facility Capital Projects Fund in FY 2024 based on the FY 2023 results.



General Fund Expenditure Breakdown by Function

As the general operating fund of the Village, the General Fund provides for basic public service operations - Fire, Police, Public Works, Development and Planning Services, etc.

The General Fund is broken into the specific functions which make up the fund. As you can see in the graph to the right, public safety (Police and Fire) expenditures account for the majority (64%) of the General Fund operations. Actual expenditures, excluding transfers out, for the entire Fund totaled \$47,830,222. Actual expenditures were \$2.7 million or 5.4% below the amended budget amounts. These savings are mostly attributed to personnel costs associated with temporary vacancies and timing differences of planned capital expenditures.



Legislative

President and Board of Trustees develop policies and enact resolutions and ordinances to ensure the health, safety, and welfare of Northbrook residents.

Police

Provides law enforcement, maintenance of order, preservation of property, and crime prevention.

Fire

Preserves life and property through planning, education, enforcement, and emergency intervention.

Administrative

Carries out direction of the Board and oversees day to day operations of the Village staff.

Public Works

Designs, constructs, manages, maintains, operates, and repairs the Village's infrastructure and related assets including the Village water system.

Finance

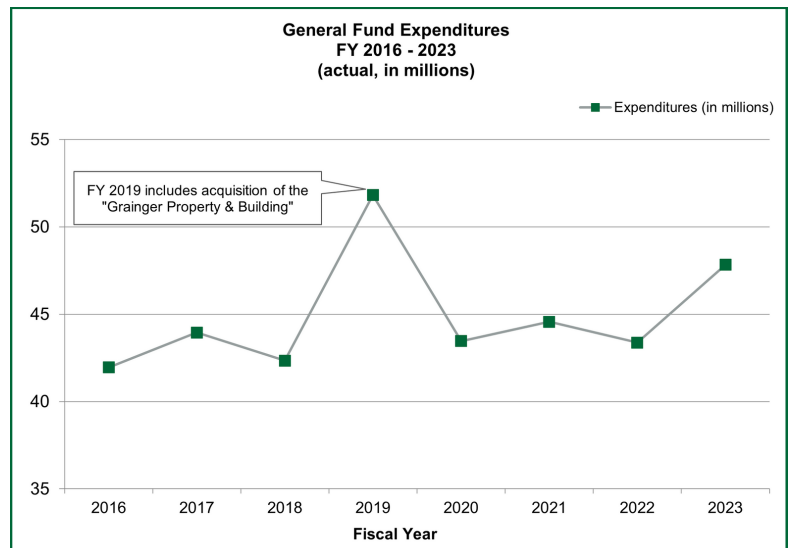
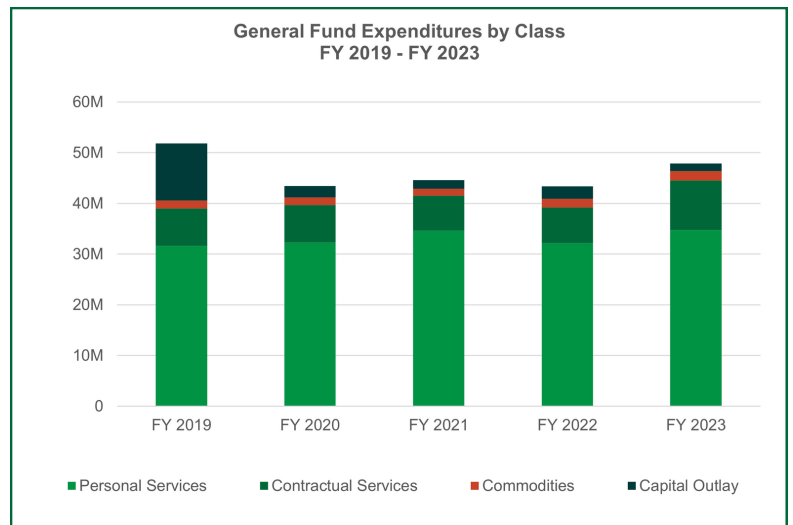
Administers the fiscal operations of the Village.

Information Services

Provides information technology services to support Village operations.

Development and Planning Services

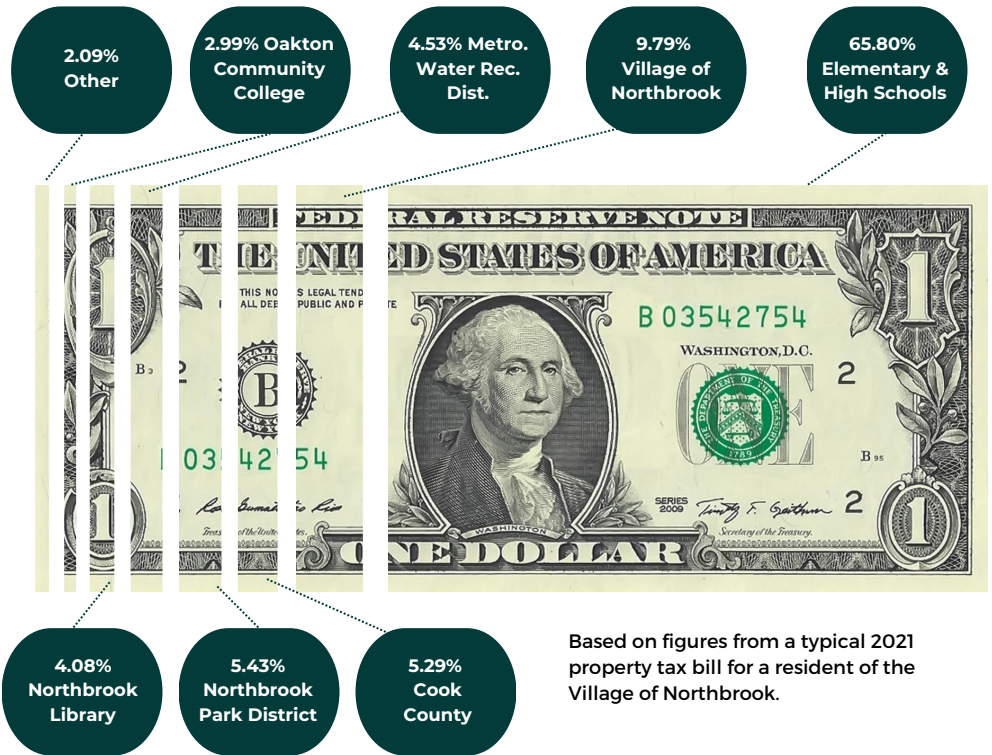
Reviews construction and promotes orderly development within the Village.



Village Share of Property Tax Bill

As indicated in the graphic to the right, the Village of Northbrook only received 9.79 cents for every dollar of property tax that was collected for the 2021 tax year.

These taxes are used to support the day-to-day operations of the Village as well as our public safety pension funds and previously committed debt service payments. Village water, sewer, stormwater services, senior housing, and parking facilities are self-supported through their own user fees. The 2022 Cook County tax levy extension is not available as of the date of this report. The Village's 2022 Tax Levy was flat as compared to 2021 Tax Levy.

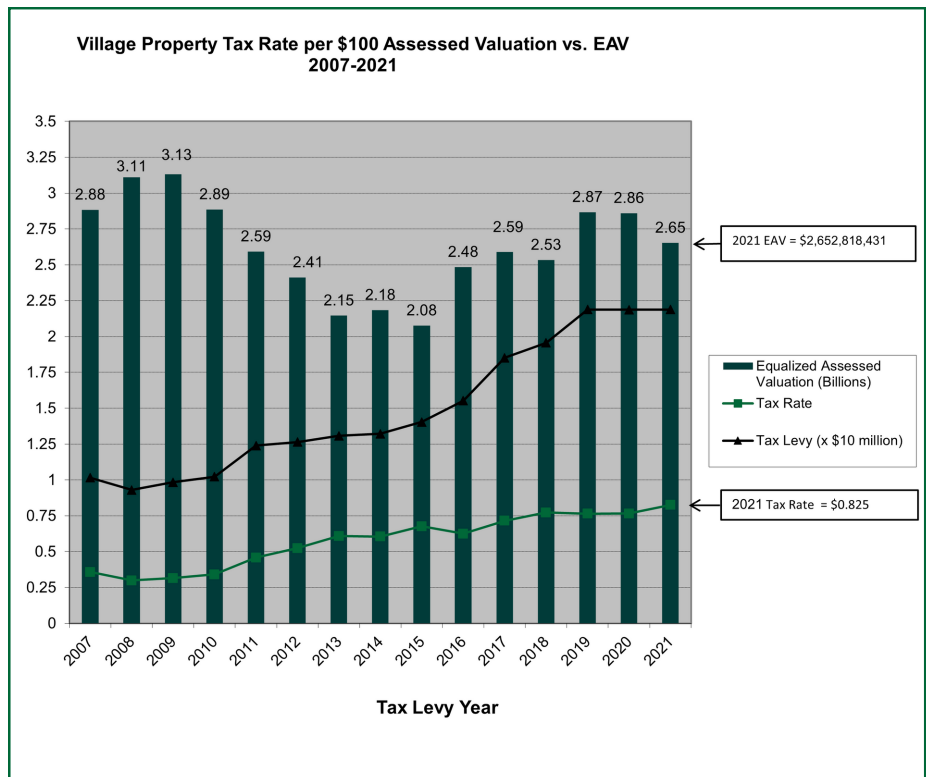


Village Property Tax Rate Influenced by Assessed Property Values

While the Village's assessed valuation has increased over time, the Village board has been committed to keeping property taxes low while offering a high quality of services to its residents.

In the last 3 years, the equalized assessed valuation (EAV) of the property within the Village limits has increased 4.7%. During the same time period, the combined property tax rate for all taxing bodies has increased by 6.9%.

When the economy places downward pressure on property values, tax rates rise if the property levy remains unchanged. The Village endeavors to contain costs and leverage purchasing power, and yet an increase in the property tax rate can occur given the inverse relationship between the property tax rate and EAV of the underlying property. The Village's 2021 EAV was \$2.65 Billion compared to the 2007 EAV of \$2.88 Billion. The Village's 2021 property tax rate was 0.825% compared to the 2007 property tax rate of 0.357%. The 2022 EAV is not available as of the date of this report.



Village Resources Invested in Capital Assets

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.

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that the Village's assets exceeded liabilities by \$25.6 million.

Net position was \$25.6 million in FY 2023, an increase of \$4.9 million. Of the Village's net position, \$85 million was net investment in capital assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the net position, \$3 million, is subject to external restrictions on how they may be used. The unrestricted net position which may be used to finance the ongoing obligations to its citizens, creditors, and even pension liability is negative \$62.4 million.

During FY 2019, the Village implemented GASB Statement No. 75, related to the reporting of the total liability and related items for the postemployment benefits

other than pensions. Retirees meeting age and service requirements for retirement may continue coverage by paying 100% of the blended average active group cost. The subsidy is an implied age-related cost differential based upon the expected higher cost of coverage for retired employees versus the average cost for the entire group.

Beginning FY 2015, the Village implemented GASB Statement No. 68. This statement relates to reporting of the net pension liability for the Illinois Municipal Retirement Fund, the Police Pension Fund, and the Firefighters' Pension Fund.

GASB Statement No. 75 and No. 68 require liabilities previously included in footnotes to the financial statements to be moved into the statements themselves and calculated in the funds' net positions with the recording of additional expenses (see page 9 for explanation of expenses). These changes required inclusion of \$124.3 million in net liability. It is important to note that this is only a change in financial reporting procedure, and does not change the Village's actual financial resources.

Public Safety Pension Plans

Currently, the Village's strategy related to the public safety pension plans is to fund these obligations in a fiscally responsible and sustainable manner, to provide funding at a higher level than mandated by the State and to reduce unfunded liabilities and avoid unmanageable increases to pension costs in the future.

Effective May 1, 2018, the Board increased the ambulance transport fee and applied the additional revenue annually to help pay down the unfunded liabilities in our Police and Fire pension funds. FY 2023 Transfers Out include \$398,495 transfer to each pension fund. As of April 30, 2023, the Village's police and fire pension plans had funding ratios of 57.6% and 53.5%, respectively.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Other Assets	\$82,446,486	\$81,448,487	\$15,882,574	\$22,155,971	\$98,329,060	\$103,604,458
Capital Assets	95,196,602	97,971,455	75,547,174	74,716,986	170,743,776	172,688,441
Total Assets	177,643,088	179,419,942	91,429,748	96,872,957	269,072,836	276,292,899
Deferred Outflows	24,249,094	13,890,423	2,108,992	744,799	26,358,086	14,635,222
Total Assets/Deferred Outflows	201,892,182	193,310,365	93,538,740	97,617,756	295,430,922	290,928,121
Long-Term Liabilities	181,118,120	170,484,972	46,880,334	48,295,961	227,998,454	218,780,933
Other Liabilities	14,509,834	13,712,676	4,806,888	4,653,236	19,316,722	18,365,912
Total Liabilities	195,627,954	184,197,648	51,687,222	52,949,197	247,315,176	237,146,845
Deferred Inflows	22,048,198	30,738,542	441,313	2,354,978	22,489,511	33,093,520
Total Liabilities/Deferred Inflows	217,676,152	214,936,190	52,128,535	55,304,175	269,804,687	270,240,365
Net Position						
Net Investment in Capital Assets	52,972,264	52,965,456	32,051,482	28,945,331	85,023,746	81,910,787
Restricted	2,974,152	3,725,623	-	-	2,974,152	3,725,623
Unrestricted (Deficit)	(71,730,386)	(78,316,904)	9,358,723	13,368,250	(62,371,663)	(64,948,654)
Total Net Position	(\$15,783,970)	(\$21,625,825)	\$41,410,205	\$42,313,581	\$25,626,235	\$20,687,756

Village services classified as **Governmental Activities** include: police and fire safety, highway and street maintenance and construction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services.

Village services classified as **Business-type Activities** include: water, stormwater, and sanitary sewer services, parking system services, and senior housing services. **Deferred outflow/inflow** of resources represents an acquisition/ reduction of net position that applies to a future period.

Village of Northbrook Financial Activities

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year.

You'll notice in the table below that total revenues are \$2.4 million higher than FY 2022, mainly due to higher income taxes, replacement taxes, business permits, ambulance fees and investment income. The Village received the second and final installment of ARPA funds of \$2.24 million in FY 2023. The total cost of all programs and services increased by \$13.8 million from prior year due to changes in the net pension liabilities and deferred items for the Village.

As noted below, the net position of the Village's governmental activities improved by \$5.8 million (negative \$15.8 million compared to negative \$21.6 million). The unrestricted net position of the Village's governmental activities was negative \$71.7 million. The negative net position is entirely attributable to the incorporation of GASB Statement No. 68 and GASB Statement No. 75, which require net pension and postemployment benefit liabilities previously being included in footnotes to the financial statements to be reported in the financial statements and calculated in the funds' net positions (see page 8).

The General Fund reported an operating surplus of \$5.9 million before transfers out for the fiscal year ending April 30, 2023, mainly due to significantly higher revenues.

Net position of business-type activities decreased by 2.1% from the prior year (\$41.4 million compared to \$42.3 million), mainly due to timing of capital replacements and improvements, and due to decrease in revenues attributable to lower water usage. These assets, however, cannot be used to supplement activities reported in the governmental funds. The Village generally can only use these net assets to finance the continuing operations of the waterworks, sewerage, stormwater, senior housing, and parking funds.



Statement of Activities

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$10,358,097	\$9,589,389	\$12,867,132	\$13,539,711	\$23,225,229	\$23,129,100
Capital Grants/Contributions	-	-	629,876	398,163	629,876	398,163
Operating Grants/Contributions	1,914,316	2,379,186	119,673	84,756	2,033,989	2,463,942
<i>General Revenues</i>						
Property Taxes	23,521,343	23,902,215	-	-	23,521,343	23,902,215
Sales Taxes	17,669,155	17,626,963	-	-	17,669,155	17,626,963
Other Taxes	11,573,021	10,897,162	-	-	11,573,021	10,897,162
Other General Revenues	4,484,451	2,652,986	336,252	101,270	4,820,703	2,754,256
Total Revenues	69,520,383	67,047,901	13,952,933	14,123,900	83,473,316	81,171,801
Expenses						
General Government	6,595,373	2,224,190	-	-	6,595,373	2,224,190
Public Safety	42,590,015	36,286,376	-	-	42,590,015	36,286,376
Public Works	12,356,841	10,134,848	-	-	12,356,841	10,134,848
Interest on Long-Term Debt	2,136,299	2,311,580	-	-	2,136,299	2,311,580
Water	-	-	9,338,819	8,357,942	9,338,819	8,357,942
Sanitary Sewer	-	-	2,080,248	2,000,422	2,080,248	2,000,422
Stormwater Utility	-	-	2,310,443	2,344,544	2,310,443	2,344,544
Senior Housing	-	-	989,090	854,387	989,090	854,387
Parking Facilities	-	-	137,709	146,010	137,709	146,010
Total Expenses	63,678,528	50,956,994	14,856,309	13,703,305	78,534,837	64,660,299
Change in Net Position before Transfers	5,841,855	16,090,907	(903,376)	420,595	4,938,479	16,511,502
Transfers In (Out)	-	(390,000)	-	390,000	-	-
Increase (Decrease) in Net Position	5,841,855	15,700,907	(903,376)	810,595	4,938,479	16,511,502
Net Position - Beginning	(21,625,825)	(37,326,732)	42,313,581	41,502,986	20,687,756	4,176,254
Net Position - Ending	(\$15,783,970)	(\$21,625,825)	\$41,410,205	\$42,313,581	\$25,626,235	\$20,687,756

Village Enterprise Management Funds

The Village utilizes Enterprise Funds to account for its waterworks, sewerage, stormwater, senior housing, and parking operations.

The goal of these funds is to be self-supporting, as if they were their own business, relying solely on the revenues received from user fees for their respective services. Property taxes, sales taxes, etc., do not support the provision of these services. Expenses from business type activities increased by 8.4% while revenues decreased by 1.2%. The increase in expenses is attributable to timing of capital replacements and improvements. The decrease in revenues is attributable to lower water usage. The graph compares program revenues to expenses for the Village's enterprise operations.

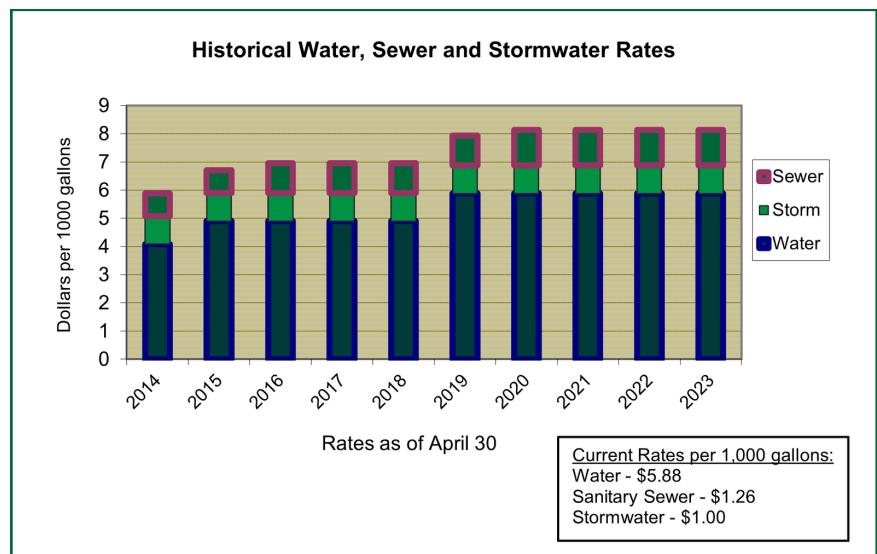
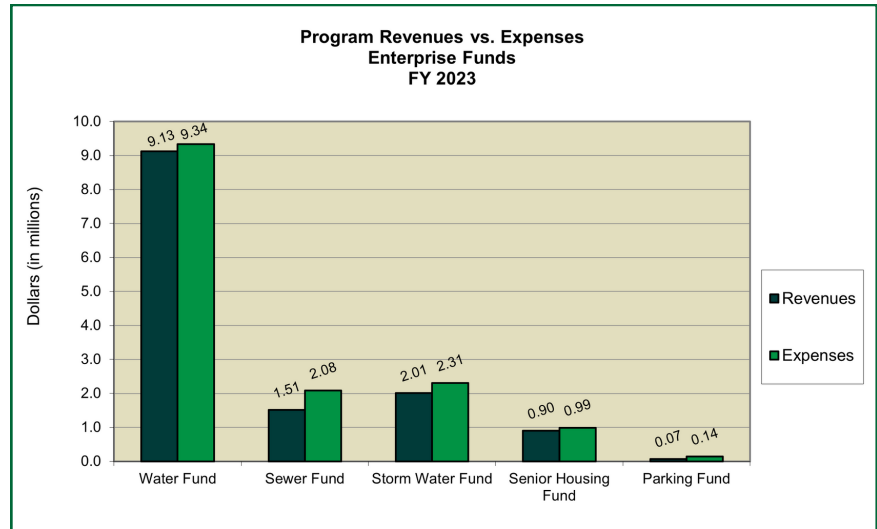
As you can see from the graph to the right, the water, sanitary sewer and stormwater rates have not increased since FY 2019. Water and sewer rates study was completed in FY 2023. As a result, effective May 1, 2023, Water and Sewer rates increased from \$5.88 to \$6.15, and from 1.26 to \$1.70, respectively, per 1,000 gallon. Stormwater rate study will be completed in FY 2024.

A Stormwater Management Fund with a dedicated revenue source was created to account for the maintenance and construction of the Village's stormwater management system.

The Stormwater Management Commission determines which projects, from neighborhood improvements to large watershed designs, are necessary to most effectively accomplish the goals of:

- Reduced structure flooding/damage
- Reduced street and front yard flooding to maintain access for emergency responders
- Manage property flooding
- Manage development/ redevelopment.

All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service.



System Overviews

Water System:

- Water Mains - 227.6 miles
- Number of System Valves - 2,550
- Number of Fire Hydrants - 2,829
- Water delivered to customers - 1,820,703 gallons

Sanitary Sewer System:

- Sanitary System Mains - 133 miles

Stormwater System:

- Storm Sewers - 217.5 miles

Village Issues Debt to Finance Capital Projects

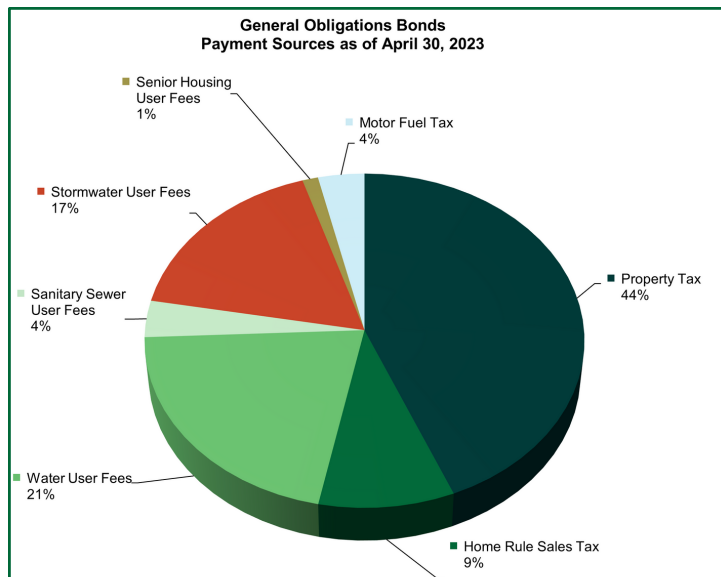
The Village issues general obligation bonds to provide funds for facilities improvements, streets, stormwater, sewer, and water system improvements.

General obligation bonds are direct obligations of the Village and pledge the full faith and credit of the Village. As the Village faces continuing capital and infrastructure needs, the Village Board is committed to minimizing its annual debt requirements. The Village conducts detailed analyses of existing debt structures, current and projected cash flows, and potential future debt levels before making a decision to issue each new debt obligation. The term of the bonds will not exceed the useful life of the asset.



As of April 30, 2023, the Village had a number of general obligation debt issues outstanding which totaled approximately \$105 million, excluding unamortized bond issuance premiums. Both Moody's and Standard & Poor's assigned their highest quality rating Aaa and AAA, respectively, to the Village of Northbrook based on its highly diversified tax base, affluence, and a host of other factors as discussed earlier. Under current state statutes, home rule communities do not have a legal limit on the amount of debt which can be issued, thus the Village's general obligation bonded debt issuances are not subject to a legal limitation. As of April 30, 2023, the Village's general obligation bonded debt for governmental funds was \$59.8 million and debt per capita equaled \$1,697. Governmental fund debt includes all general obligation debt which is not typically paid via user fees (Enterprise Funds).

As the pie chart illustrates, more than 50% of the General Obligation Bonds are supported by revenue other than property taxes.



General Obligation Bonds Outstanding as of April 30, 2023

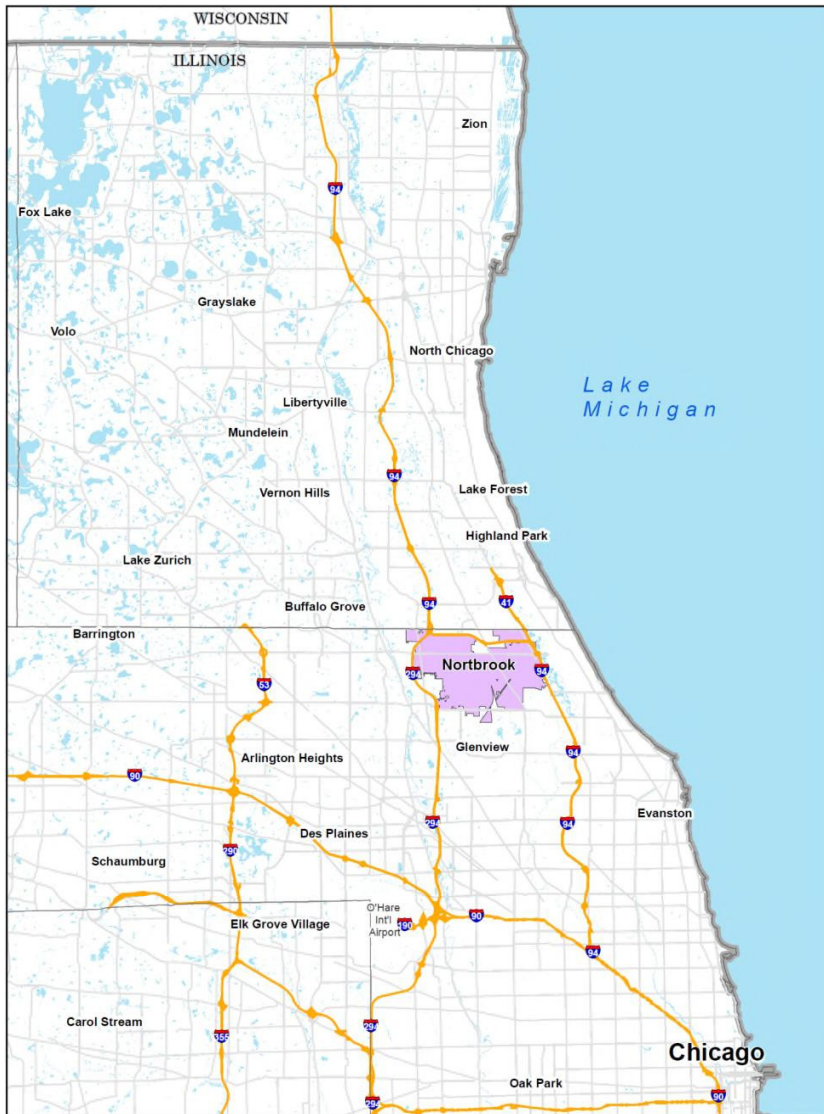
2012B	Debt Service	\$	358,621
	Stormwater		286,380
2013A	Debt Service		4,682,267
	Water		906,636
	Sanitary Sewer		431,731
	Stormwater		694,366
2014A	Debt Service		9,541,000
	Water		2,453,400
	Sanitary Sewer		1,090,400
	Stormwater		545,200
2015A	Debt Service		13,890,000
2015B	Debt Service		3,034,105
	Water		5,953,955
	Sanitary Sewer		850,565
	Stormwater		2,856,375
2016	Debt Service		4,758,400
	Water		915,341
	Sanitary Sewer		142,152
	Stormwater		9,029,107
2018A	Debt Service		5,500,250
	Water		6,443,150
	Sanitary Sewer		785,750
	Stormwater		2,985,850
2018B	Debt Service		7,725,000
2019	Debt Service		2,825,000
	Water		3,020,000
	Sanitary Sewer		125,000
	Stormwater		1,800,000
2020	Debt Service		1,715,000
2021	Debt Service		5,765,000
	Water		2,585,000
	Sanitary Sewer		300,000
	Senior Housing		1,290,000
Total		\$	105,285,001
	Premium on General Obligation Bonds		3,566,636
Total		\$	108,851,637
	Debt Supported by Revenue Other Than Property Tax		(59,224,243)
Total Net GO Debt (i.e. supported by property taxes)		\$	49,627,394

Ratio of Net* General Obligation Bonded Debt to EAV FY 2013-2023

Year	Net G.O. Debt	EAV	Ratio
2013	29,288,033	2,411,371,438	1.21%
2014	31,831,316	2,145,411,161	1.48%
2015	34,583,366	2,184,047,934	1.58%
2016	50,419,442	2,076,011,238	2.43%
2017	48,181,740	2,483,856,521	1.94%
2018	60,060,567	2,590,166,983	2.32%
2019	55,763,681	2,533,423,242	2.20%
2020	56,037,878	2,866,844,264	1.95%
2021	49,389,853	2,859,973,023	1.73%
2022	52,540,936	2,652,818,431	1.98%
2023	49,627,394	N/A	N/A

* Net General Obligation Debt equals gross general obligation debt less debt supported by a revenue source other than property taxes

N/A - Not available



Staff Directory

Village Manager: Cara Pavlicek
 Deputy Village Manager: Madeline Farrell
 Director of Administrative Services: Debbie Ford
 Director of Development and Planning
 Services: Jonathan Mendel
 Chief Financial Officer: Steve Drazner
 Chief Information Officer: Lori Baker
 Fire Chief: David Schweih
 Police Chief: Christopher Kennedy
 Director of Public Works: Kelly Hamill
 Village Engineer: Jack Bielak

Village of Northbrook

northbrook.il.us
 village@northbrook.il.us
 1225 Cedar Lane, Northbrook, IL 60062
 Hours: Monday-Friday, 8:30am-4:30pm

Village Hall 847-272-5050
Village Hall Fax 847-272-1892

Important Numbers and Addresses

Fire Department Headquarters
 740 Dundee Road
 Fire Non-Emergency | 847-272-2141

Police Headquarters
 1401 Landwehr Road
 Police Non-Emergency | 847-564-2060

Public Works Center
 655 Huehl Road
 Public Works | 847-272-4711

Stay Connected!

Facebook com/northbrookillinois
 Instagram: @villageofnorthbrook
 Twitter: @northbrookgov

Village Seeks Input for Next Popular Annual Financial Report

The financial data in this report is derived from Generally Accepted Accounting Procedures (GAAP) amounts, but is not intended to be a complete financial statement of the Village of Northbrook nor does it include any component units of the Village (for example, the Northbrook Public Library). The summary financial data provided here in the Popular Annual Financial Report (PAFR) was taken from the Village of Northbrook Annual Comprehensive Financial Report (ACFR) for the fiscal year ended April 30, 2023.

Copies of the ACFR, the full financial statements of the Village, can be obtained through the Finance Department, at the Village Hall and on the Village website at northbrook.il.us/finance.

Additional copies of this report can be obtained through the Finance Department and can also be viewed on the Village website.

Questions?

If you have questions concerning this report or would like offer your ideas on how to improve the information that is provided in future editions, please feel free to contact the Village of Northbrook Finance Department at 847-664-4200 or email village@northbrook.il.us.

Visit the Village of Northbrook website for current events, forms, maps, meeting agendas, minutes, Village codes, staff contact information, and more at northbrook.il.us