

Popular Annual Financial Report

Village of Northbrook

FOR THE FISCAL YEAR
ENDED APRIL 30, 2024

Board of Trustees

Kathryn L. Ciesla, President
Robert P. Israel
Heather E. Ross
Johannah K. Hebl
Daniel H. Pepoon
Joy U. Ebhomielen
Michelle Z. Kohler

Village Clerk

A.C. Buehler III



Inside:

GFOA Award	2
Local Economy	2
Council-Manager Government	3
Village History	3
Citizen Survey	4
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 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 Northbrook Community,

On behalf of Northbrook's Village Board, I am pleased to present to you our "Popular Annual Financial Report" for the fiscal year ending April 30, 2024. It remains a top priority to always be responsible and transparent stewards of your taxpayer dollars which fund Northbrook for today and into the future. It is through your input, guidance, and support that we have been able to ensure that we remain on the right track.

As you review the 2024 PAFR, I would like to highlight a few things that are strong indicators of success and those where we are presented with opportunities for improvement:

Community Survey. We completed our very first Citizen Survey with a national research center to benchmark Northbrook against other similar communities nationwide. Our goal was to measure Northbrook's strengths and highlight areas we can target for improvement.

Infrastructure Improvements. The Village is moving forward on several projects to improve our infrastructure, available housing, and services for the residents and businesses. In 2025, we will continue to work toward replacing outdated and obsolete public safety facilities, specifically Fire Station 11, our Police Station, and our Public Works Fleet Maintenance Garage. We will also begin a three-year project to replace manual-read water meters with digital meters. On the customer service side of Village operations, we are moving toward a cloud-based system that will allow those interacting with the Village to do so in a more convenient and efficient manner.

Economic Development/Retention. We are working collaboratively with businesses and developers to maintain and increase our sales tax base.

Property Taxes. We continue to look to keep the Village's portion of the property tax bill low and rely more on retail sales taxes to fund a large portion of our budget. In fact, the Village accounts for just 8.86% of residents' property tax bill.

Revenues Exceed Expenses. Overall, Village revenues exceeded our expenses. In 2024, our expenditures increased by only 1.4% due primarily to a \$2 million pension fund contribution for police and fire.

Net Financial Position. Northbrook's net position continues to remain strong with Village assets exceeding liabilities by \$28.6 million.

You can find much more detail in this PAFR, but it is only a snapshot of data presented in our Annual Comprehensive Financial Report (ACFR). We encourage you to dig into the full ACFR to learn more because this report is not intended to replace the full disclosure financial statements that can be viewed in our ACFR at northbrook.il.us/finance. Please let us know what you think 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.

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 decisions are 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 19th 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 that ended April 30, 2023.

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 which will again be submitted to the GFOA for continued consideration of this prestigious award.



Northbrook's Local Economy

The Village of Northbrook maintains a strong local economy due to a wide range of employment, a diversity of industrial, commercial and office development and a desirable location with geographic factors. Through sales tax, that includes remote sellers' tax, and income tax, revenue from property tax comprises less than 20 percent of the Village's total General Fund revenues. Through sound management, the Village is able to offer a high level of government services to its residents and businesses at relatively low tax rates resulting from these diversified Village revenues.

As a prime location for a number of corporate headquarters, as well as the home to thriving commercial and light industrial development, Northbrook has the distinction as a residential community for professionals and corporate executives supporting higher home values and contributing to the Village's greater than average median household income. Northbrook offers convenient transportation and proximity to Chicago.

The Village has substantial land area dedicated to corporate offices and commercial shopping centers. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Newmedical Technology, 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 a TIF District has been established to support the complete redevelopment of the 100+ acre Northbrook Court property. The property owner and Village entered into a Redevelopment and Economic Incentive Agreement in late 2023 which establishes a foundation for the comprehensive redevelopment of the property as a new retail and dining destination for the North Shore Region with an integration of thoughtfully planned residential to create a mixed-use neighborhood, incorporation of open space, parks, walkability, and neighborhood amenities for the community.

Redevelopment continues in other sectors of Northbrook and include the opening of a Lazy Dog Restaurant and Bar in Willow Festival and a new drive-thru Starbucks at the east gateway to downtown by the intersection of Waukegan and Shermer.

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 projects. The top notch public school system, library and the park system are major draws for new residents and families in particular and in part result in the community's high residential property values and level of desirability.

Northbrook Numbers at a Glance

Population	35,222
Median Income	\$150,236
Median Age	50
Unemployment Rate	4/2024 - 3.2%
Median Home Value	\$621,600
Number of FT Employees, FY 2024	275
Equalized Assessed Valuation, TY 2023	\$3,206,669,539
Total Households	13,481

Sources: Village of Northbrook Finance Department, 2018-2022 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

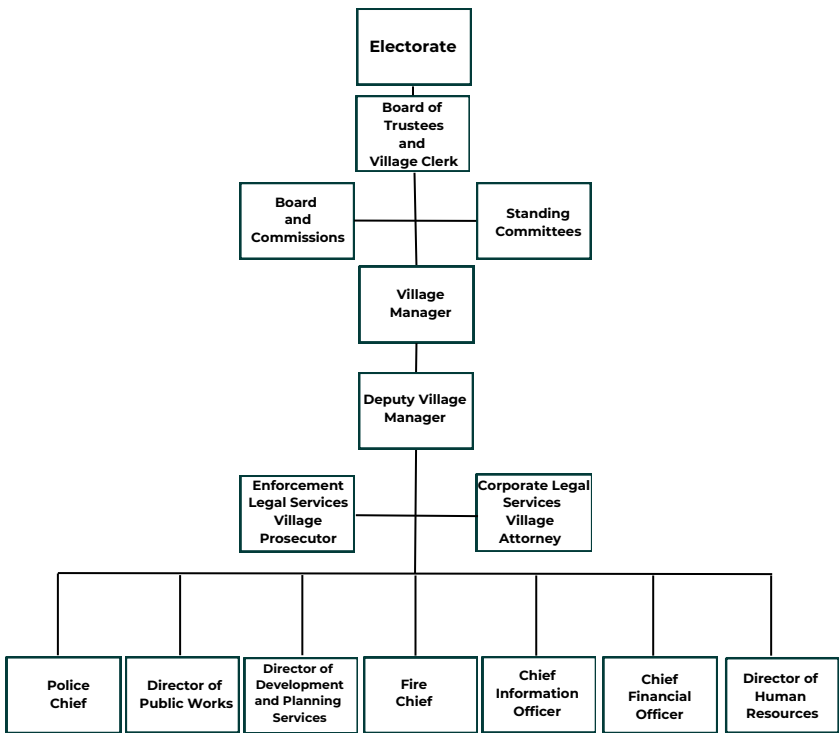
Originating from the U.S. progressive reform movement at the turn of the 20th century, the council-manager system was designed to create professionalism in local government by promoting effective management within a responsive and accountable structure.

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 execute policy and 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, 2024
Kathryn L. Ciesla,
Robert P. Israel, Heather E. Ross,
Johannah K. Hebl, Daniel H. Pepoon, Joy U. Ebhomilen,
Michelle Z. Kohler

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 consensus vote, 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.

First Citizen Survey Completed to Benchmark Services

The Village's first citizen survey was completed in FY24 and benchmarked Northbrook against other communities in the United States. The survey was conducted by Polco (who partners with the National Research Center) within strict research parameters and Key Findings include the following statements:

1. Northbrook residents appreciate many aspects of the Village's leadership and governance. Ratings for governance in Northbrook were positive and tended to be on par with or above national averages. About 9 in 10 residents offered excellent or good reviews for the overall customer service provided by Northbrook employees, while a slightly smaller proportion gave high marks to the public information services and overall quality of services provided by the Village, all scoring higher than national benchmarks.

2. Residents value Northbrook's economy and emphasize its importance. Ratings for economy-related items showed both strengths and potential areas of opportunity for Northbrook. The overall economic health of Northbrook was given positive assessments from around 9 in 10 residents, exceeding national averages, while a slightly larger proportion indicated it as the most important general focus area for the coming two years (95% essential or very important).

3. At least 9 in 10 residents gave excellent or good ratings for Northbrook as a place to live and for the overall quality of life in Northbrook, both higher than national averages. A similar proportion praised the overall image or reputation of the village, and most respondents reported that they were very or somewhat likely to recommend living in Northbrook to someone who asked (93%) and to remain in Northbrook for the next five years (90%).

4. Many aspects of Northbrook's community design receive positive reviews, but residents identify some potential areas of opportunity for the Village. While all items related to community design in Northbrook were on par with or higher than national averages, some lower-scoring aspects may merit further attention. The majority of residents offered praise for their neighborhood as a place to live (94%), exceeding national averages. Around 8 in 10 gave high marks to the overall appearance of Northbrook and the preservation of the historical or cultural character of the community. About three-quarters gave similar evaluations to the overall design or layout of the village's residential and commercial areas, and for its well-designed neighborhoods, the latter of which scored above the national benchmark. Roughly two-thirds applauded the public places where people want to spend time and the village's code enforcement. A little more than half of residents provided positive ratings for well-planned residential growth (higher than national averages); additionally, the variety of housing options (56%) and the overall quality of new development (54%) in Northbrook ranked in line with comparison communities. While still on par with national averages, fewer than 4 in 10 residents gave scores of excellent or good for well-planned commercial growth and the availability of affordable quality housing, identifying these two as potential focus areas.

5. Safety and related services received high praise from residents, indicating that safety is a community strength for the Village. Roughly 9 in 10 provided ratings of excellent or good for the overall feeling of safety in Northbrook, scoring above comparison communities. These strong ratings for safety likely contribute to the exceptional quality of life experienced by Northbrook residents.

Departments Highlight Accomplishments of FY 2024

- Developed and launched a refreshed Village website with components to reflect the Villages brand and identity.
- Continued implementation of Climate Action Plan (CAP) Goals including the installation of 645 trees planted within the community and the transition of the Village's existing streetlights to LED fixtures with 245 replacements in the calendar year.
- Continued work to identify future sites for the construction of a new Fire Station 11/Fire Administrative Office Building, Police Facility and Fleet Maintenance Garage.
- Completed localized drainage improvements in the Village to help alleviate specific resident concerns.
- Conducted a Utility Rate Study to inform of future water and sewer rates to allow for the automation of water meter reading and customer access to accurate water consumption data online.
- Continued to work with the contract purchaser of 1657 Shermer Road (former Grainger property) for a multifamily development and supportive & affordable housing project.
- Implemented new Police security measures to increase safety at public events and new systems including Body Worn Cameras,
- Cleaned approximately 131,015 linear feet of sanitary sewer, and inspected 700 manholes as part of the system assessment required by MWRD's Inflow and Infiltration Reduction program.
- Completed asphalt conversion, design, and rehabilitation at various locations around the Village.

Planned Initiatives for FY 2025

- Initiate the implementation of the automated water meter reading program.
- Begin planning and assessment for Enterprise Resource Planning (ERP) migration to the cloud for additional functionality and features. Additionally, continue with the Microsoft migration project, evaluating and making additional collaboration services.
- Complete work to streamline and automate business license and liquor license renewals with a focus on making the process easier for businesses and reducing soft costs.
- Continue executing Advance Climate Action Plan goals which include planting 500 trees within the community in public right-of-way and transitioning the Village's streetlight system to LED fixtures in order to meet the 2030 goal of 100% LED streetlights.
- Begin Phase II (design) and phase III for the SCADA replacement and select a contractor for installation of the new SCADA system.
- Continue working with architect, construction manager, and Village staff on the planned future Police Station, Fire Station 11, and Maintenance Fleet Garage locations and design requirements.
- Research and procure a new crime analytics platform, with the goal of establishing an effective and efficient tool to police for providing crime and activity analytics.
- Continue to work collaboratively with the property owner on the redevelopment of the Northbrook Court Mall.

Sales Taxes Continue to Provide Majority of General Operating Revenues

The General Fund accounts for all unrestricted revenues and normal routine operating expenditures as well as some capital projects.

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 2024 for the General 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 last six fiscal years combined with an estimate for FY 2025. FY 2024 sales taxes were 4.03% lower than FY 2023. Total General Fund revenues for FY 2024 were \$51.4 million. Total revenues were \$2.5 million or 5% higher than expected due to increased revenues from ambulance fees, permit fees, and investment income.

Retail Sales Tax

As of April 30, 2024, 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:

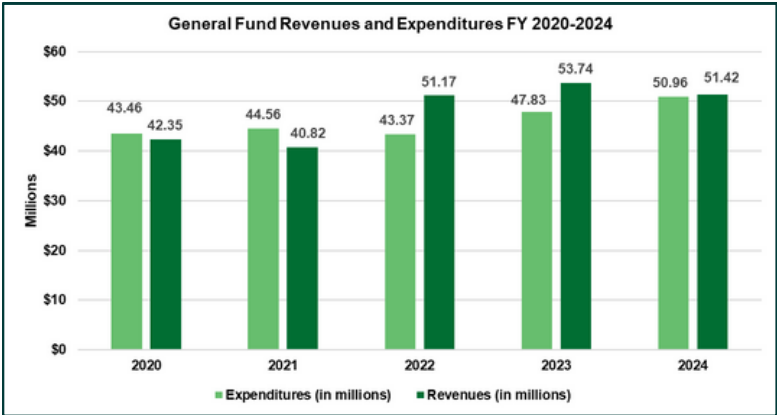
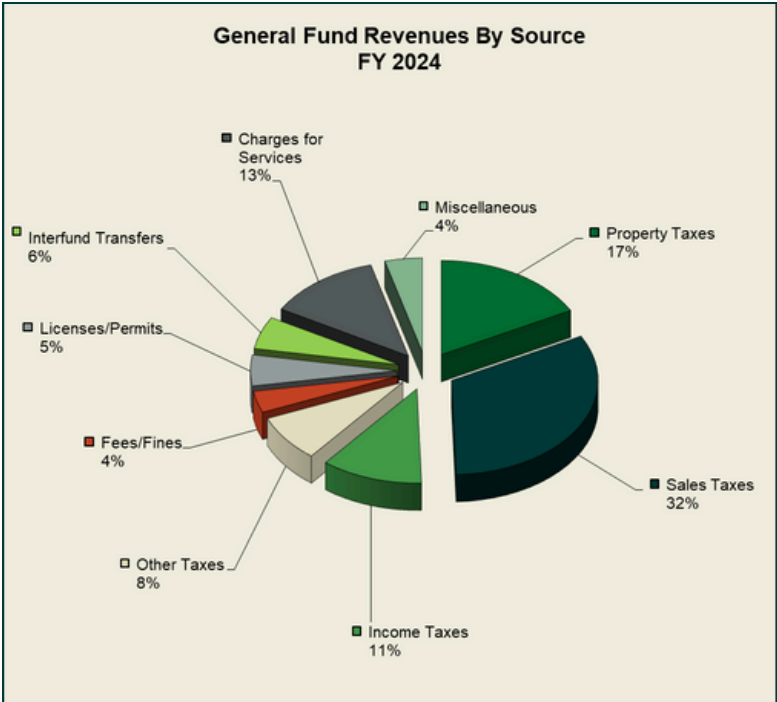
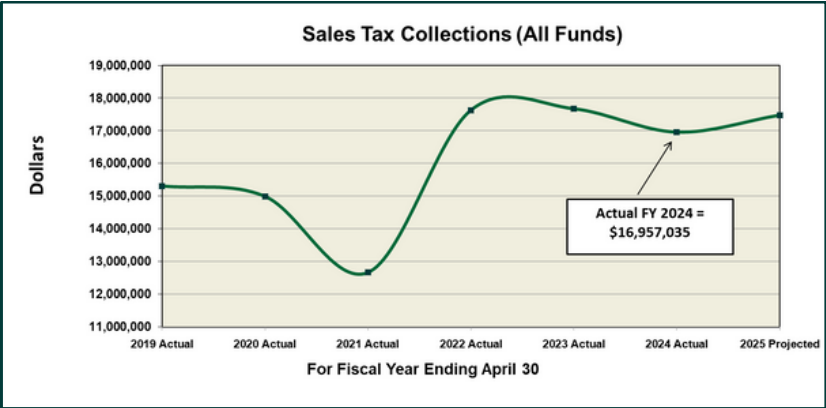
State Portion	5.00%
Village Portion	1.00%
County Portion	0.25%
Subtotal Sales Tax by State Regulation	6.25%
Village Home Rule Retailers' Occupation Tax	1.00%
Cook County Home Rule Retailers' Occupation Tax	1.75%
RTA Sales Tax	1.00%
Subtotal Sales Tax by Units of Home Rule	3.75%
Total Sales Tax - General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

The home rule sales tax is not applied to sales of automobiles, groceries, and medicine. Effective January 1, 2021, the Village started collecting the local portion of sales tax from sales made by certain remote sellers.

General Fund Operating Results for FY 2024

The General Fund ended the year strong financially with an operating surplus of \$454 thousand, before factoring in other financing sources. However, the fund reported a decrease for the year of \$4.5 million without any exclusions. The main factors that contributed to this decrease included an interfund transfer out of \$5.9 million of calculated "surplus" in the General Fund into the Facility Capital Projects Fund, as well as a \$2.0 million interfund transfer to the Police and Firefighters' pension funds to accelerate a reduction in the unfunded pension liabilities.

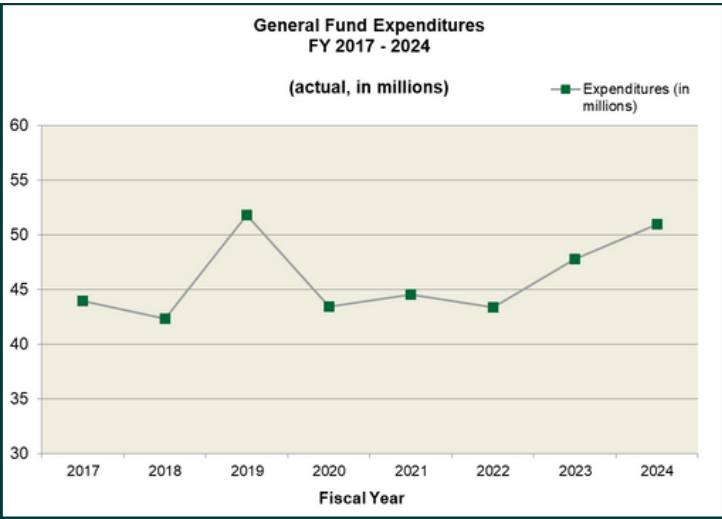
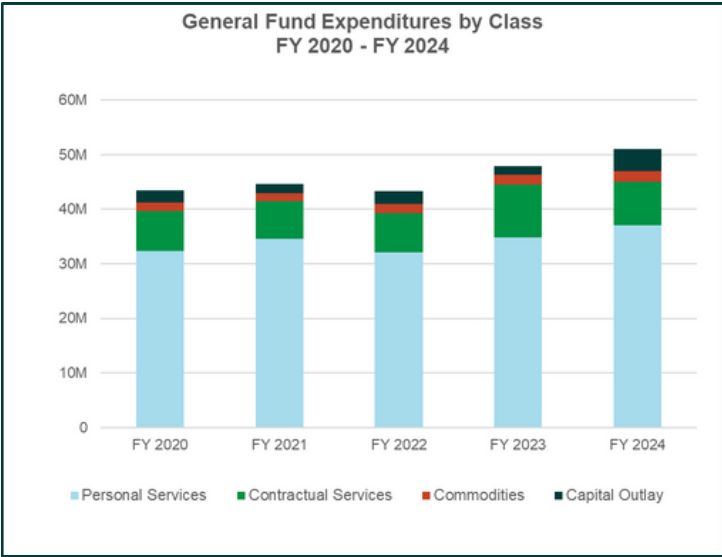
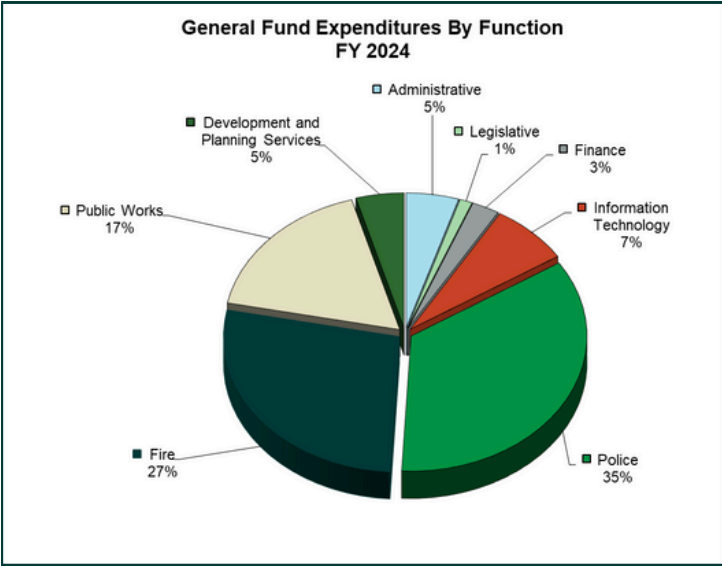
On April 30, 2024, the Unassigned General Fund balance totaled \$26.3 million or 51% of General Fund revenues. The Village Board has made a policy objective to maintain an unreserved General Fund balance equal to 40% of revenue and to set aside 70% of the surplus reserves to its Facility Capital Projects Fund (FCPF) for three new facilities needed for Police, Fire and Public Works. Pursuant to the Board's policy, an interfund transfer of \$5.9 million was made into the FCPF 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 comprise the fund. As you can see in the graph to the right, public safety (Police and Fire) expenditures account for the majority (62%) of the General Fund operations. Actual expenditures, excluding transfers out and other financing sources, for the entire Fund totaled \$50,964,498 and were \$2.9 million or 5.4% below the amended budget amounts. The decrease in expenditures is mostly attributable to salary savings from temporary vacancies, as well as timing of contractual and capital expenditures, partially offset by an increase in the Village's contribution to the pension funds.



The graph above shows General Fund expenditure trend for the last eight years. FY19 includes acquisition of the "Grainger Property & Building." FY23 and FY24 experienced an increase primarily due to increases in pension contributions, personal expenses, interfund transfers and timing of 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.

Public Works

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

Development and Planning Services

Reviews construction and promotes orderly development within the Village.

Administrative

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

Finance

Administers the fiscal operations of the Village.

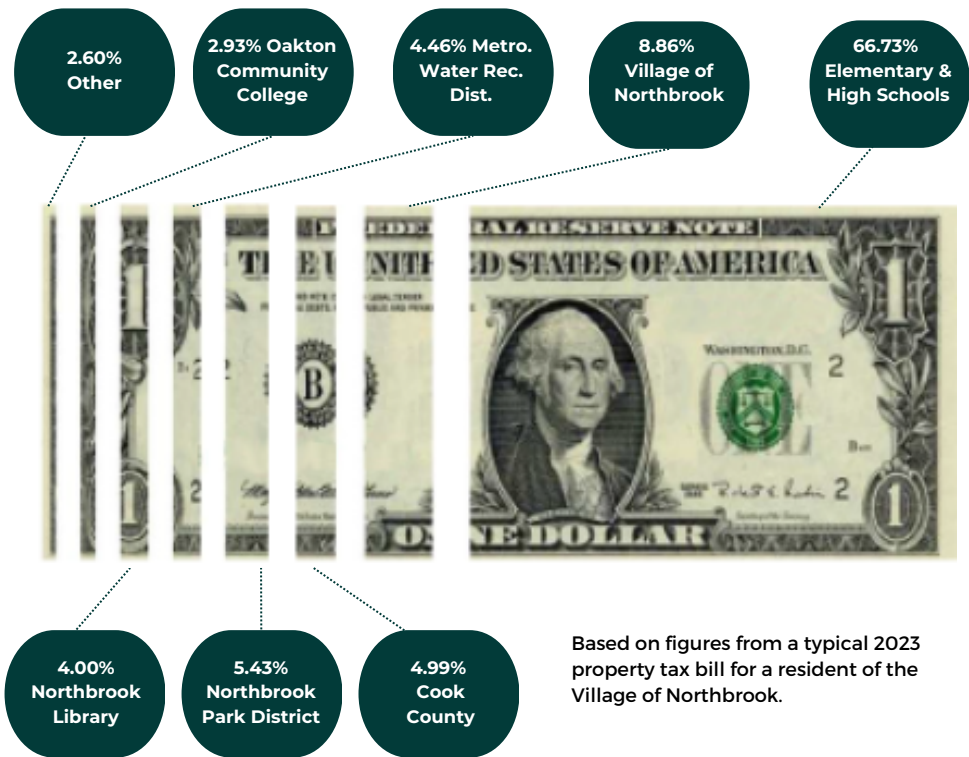
Information Technology

Provides information technology services to support Village operations.

Village Share of Property Tax Bill

As indicated in the graphic to the right, the Village of Northbrook received minimal 8.86 cents for every dollar of property tax that was collected for the 2023 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 Village's 2023 Tax Levy was flat as compared to 2022 Tax Levy.



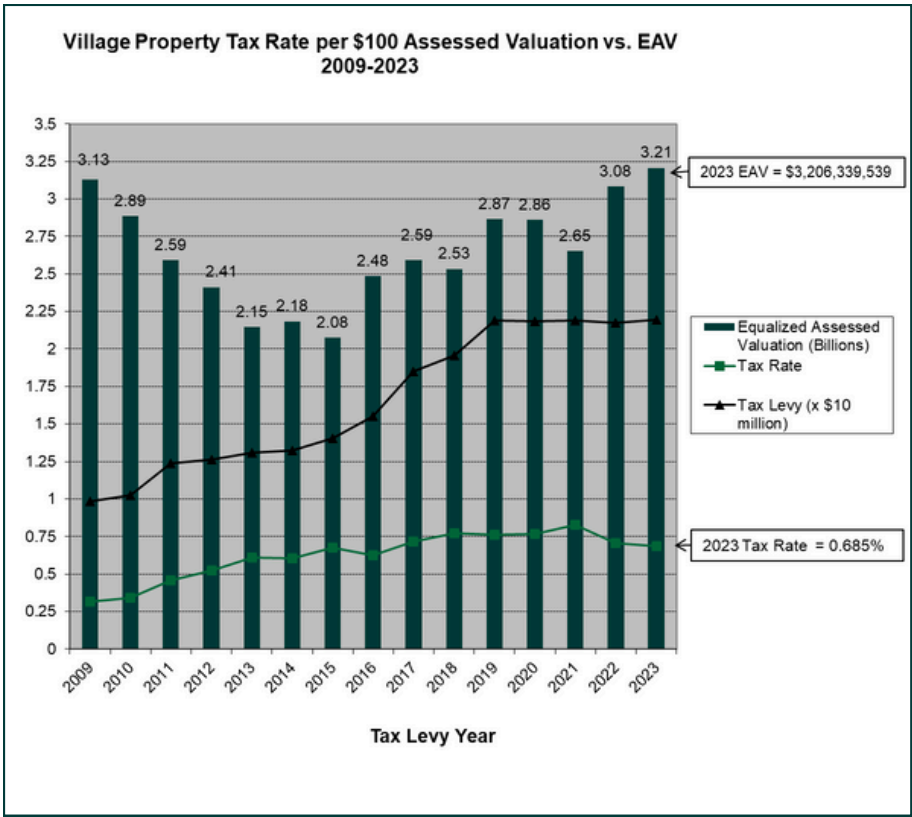
Based on figures from a typical 2023 property tax bill for a resident of the Village of Northbrook.

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 ten years, the equalized assessed valuation (EAV) of the property within the Village limits has increased 47%. During the same time period, the Village's property tax rate has increased by only 13%.

When the economy places downward pressure on property values, tax rates rise even 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 2023 EAV was \$3.21 Billion compared to the 2014 EAV of \$2.18 Billion. The Village's 2023 property tax rate was 0.685% compared to the 2014 property tax rate of 0.605%.



Village Resources Invested in Capital Assets

The Statement of Net Position reports information on all 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 \$28.6 million.

Net position was \$28.6 million in FY 2024, an increase of \$3 million. Of the Village's net position, \$89.1 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, \$1.4 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 \$61.9 million.

GASB Statement No. 75 relates 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.

GASB Statement No. 68 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 combined inclusion of \$119 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.

Facility Capital Projects Fund

Facility Capital Projects Fund (FCPF) was established in FY 2022 to account and provide for financial resources for the renovation/replacement of Fire Station 11, Police Station and Public Works Fleet Maintenance Garage. Pursuant to the Board's direction, an interfund transfer of \$5.9 million, or 70% of the unreserved General Fund balance above 40% target policy was made into FCPF in FY 2024 based on the FY 2023 results.

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. To assist, a certified actuary calculates the recommended annual contributions each year.

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. In FY 2024, the Village contributed \$1 million to each pension fund based on the calculated FY 2023 General Fund surplus. As of April 30, 2024, the Village's police and fire pension plans had funding ratios of 59.2% and 56.9%, respectively.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Other Assets	\$80,792,456	\$82,446,486	\$10,075,710	\$15,882,574	\$90,868,166	\$98,329,060
Capital Assets	94,675,611	95,196,602	79,503,748	75,547,174	174,179,359	170,743,776
Total Assets	175,468,067	177,643,088	89,579,458	91,429,748	265,047,525	269,072,836
Deferred Outflows	18,772,579	24,249,094	1,450,193	2,108,992	20,222,772	26,358,086
Total Assets/Deferred Outflows	194,240,646	201,892,182	91,029,651	93,538,740	285,270,297	295,430,922
Long-Term Liabilities	171,728,361	181,118,120	42,810,274	46,880,334	214,538,635	227,998,454
Other Liabilities	18,761,291	14,509,834	6,139,206	4,806,888	24,900,497	19,316,722
Total Liabilities	190,489,652	195,627,954	48,949,480	51,687,222	239,439,132	247,315,176
Deferred Inflows	16,880,223	22,048,198	376,195	441,313	17,256,418	22,489,511
Total Liabilities/Deferred Inflows	207,369,875	217,676,152	49,325,675	52,128,535	256,695,550	269,804,687
Net Position						
Net Investment in Capital Assets	52,670,873	52,972,264	36,389,455	32,051,482	89,060,328	85,023,746
Restricted	1,367,191	2,974,152	-	-	1,367,191	2,974,152
Unrestricted (Deficit)	(67,167,293)	(71,730,386)	5,314,521	9,358,723	(61,852,772)	(62,371,663)
Total Net Position	(\$13,129,229)	(\$15,783,970)	\$41,703,976	\$41,410,205	\$28,574,747	\$25,626,235

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 will notice in the table below that total revenues were \$2.2 million lower than FY 2023, mainly due to the \$2.2 million of ARPA funds being received in FY 2023, as well as a reduction in the property tax revenue. Expenses in general government and public safety increased by 1.4% from prior year primarily due to the \$2 million contribution into the pension funds to reduce unfunded liabilities.

As noted below, the net position of the Village's governmental activities improved by \$2.7 million (negative \$13.1 million compared to negative \$15.8 million). The unrestricted net position of the Village's governmental activities was negative \$67.2 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 \$454 thousand, primarily due to increased revenues from ambulances fees, building permits, and investment income, as well as cost savings from various position vacancies along with the timing of contractual and capital expenditures.

Net position of business-type activities increased by 0.7% from the prior year (\$41.7 million compared to \$41.4 million), primarily due to changes in net pension liabilities and deferred items for the Village, as well as an increase in revenues due to higher water usage and rates. 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.



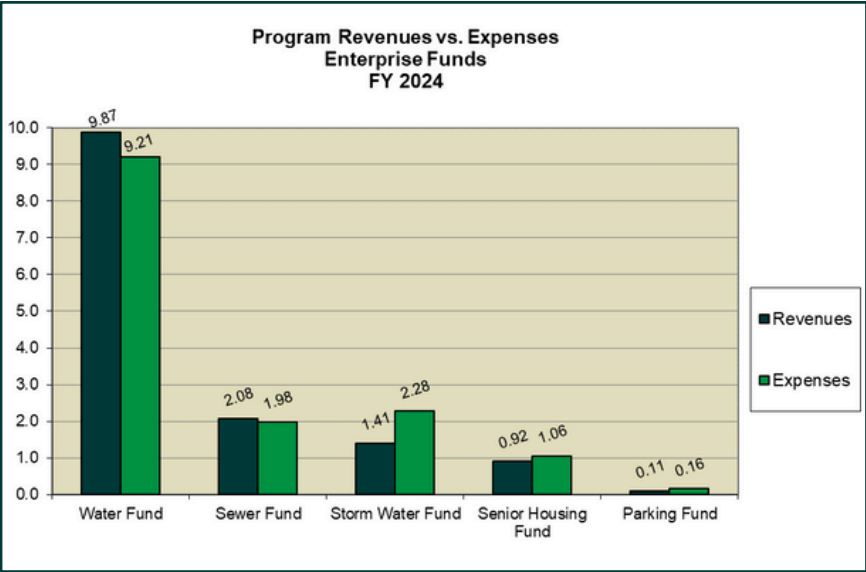
Statement of Activities

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$11,285,808	\$10,358,097	\$14,391,183	\$12,867,132	\$25,676,991	\$23,225,229
Capital Grants/Contributions	-	-	-	629,876	-	629,876
Operating Grants/Contributions	1,845,840	1,914,316	-	119,673	1,845,840	2,033,989
<i>General Revenues</i>						
Property Taxes	22,558,184	23,521,343	-	-	22,558,184	23,521,343
Sales Taxes	16,957,035	17,669,155	-	-	16,957,035	17,669,155
Other Taxes	11,284,724	11,573,021	-	-	11,284,724	11,573,021
Other General Revenues	3,392,819	4,484,451	593,596	336,252	3,986,415	4,820,703
Total Revenues	67,324,410	69,520,383	14,984,779	13,952,933	82,309,189	83,473,316
Expenses						
General Government	7,081,384	6,595,373	-	-	7,081,384	6,595,373
Public Safety	43,515,007	42,590,015	-	-	43,515,007	42,590,015
Public Works	12,040,429	12,356,841	-	-	12,040,429	12,356,841
Interest on Long-Term Debt	1,942,850	2,136,299	-	-	1,942,850	2,136,299
Water	-	-	9,212,230	9,338,819	9,212,230	9,338,819
Sanitary Sewer	-	-	1,979,902	2,080,248	1,979,902	2,080,248
Stormwater Utility	-	-	2,276,469	2,310,443	2,276,469	2,310,443
Senior Housing	-	-	1,059,524	989,090	1,059,524	989,090
Parking Facilities	-	-	162,883	137,709	162,883	137,709
Total Expenses	64,579,670	63,678,528	14,691,008	14,856,309	79,270,678	78,534,837
Change in Net Position before Transfers	2,744,740	5,841,855	293,771	(903,376)	3,038,511	4,938,479
Transfers In (Out)	-	-	-	-	-	-
Increase (Decrease) in Net Position	2,744,740	5,841,855	293,771	(903,376)	3,038,511	4,938,479
Net Position - Beginning as Restated	(15,873,969)	(21,625,825)	41,410,205	42,313,581	25,536,236	20,687,756
Net Position - Ending	(\$13,129,229)	(\$15,783,970)	\$41,703,976	\$41,410,205	\$28,574,747	\$25,626,235

Village Enterprise Funds

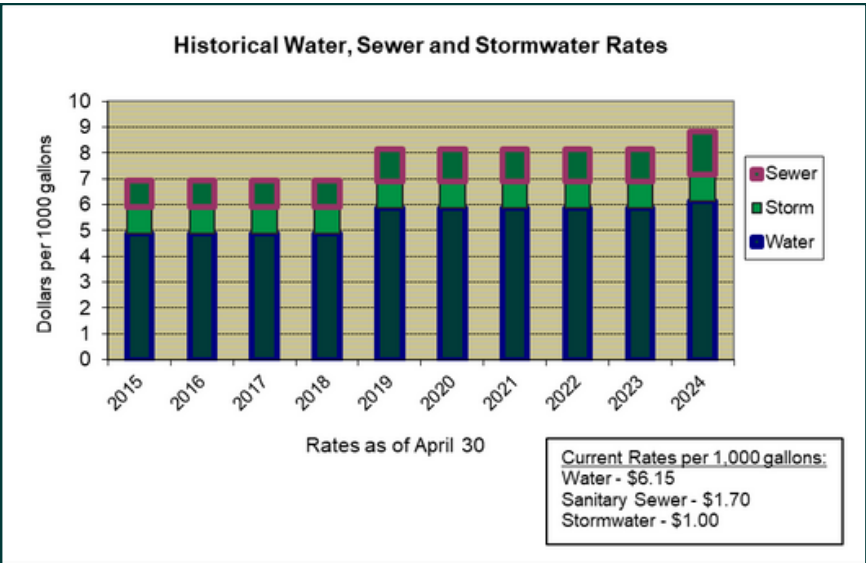
The Village utilizes Enterprise Funds to account for its waterworks, sewerage, stormwater, senior housing, and parking operations.

The goal of these funds is to be self-sufficient through user fees, as if they were a business enterprise. In other words, property taxes, sales taxes, etc., do not support the provision of these services. Expenses from business type activities decreased by 1.1% while revenues increased by 7.4%. The small decrease in expenses is attributable to changes in the net position liabilities and deferred items for the Village. The increase in revenues is attributable to higher water usage and rates. The graph to the right compares program revenues to expenses for the Village's enterprise operations.



As you can see from the graph to the right, the water and sanitary sewer rates have increased for the first time since FY 2019. The water and sewer rates study were 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.

For stormwater, customers are billed at a rate of \$1.00 per thousand gallons of water used. Stormwater Fund experienced a decrease of \$841 thousand in FY 2024 primarily due to debt service cost and historically low stormwater rate. A stormwater rate study is in progress and will be completed in FY 2025.



The Stormwater Management Commission recommends to the Village Board 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 - 218.7 miles
- Number of System Valves - 2,557
- Number of Fire Hydrants - 2,871
- Water delivered to customers - 1,870,562 gallons

Sanitary Sewer System:

- Sanitary System Mains - 132 miles

Stormwater System:

- Storm Sewers - 214.5 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.

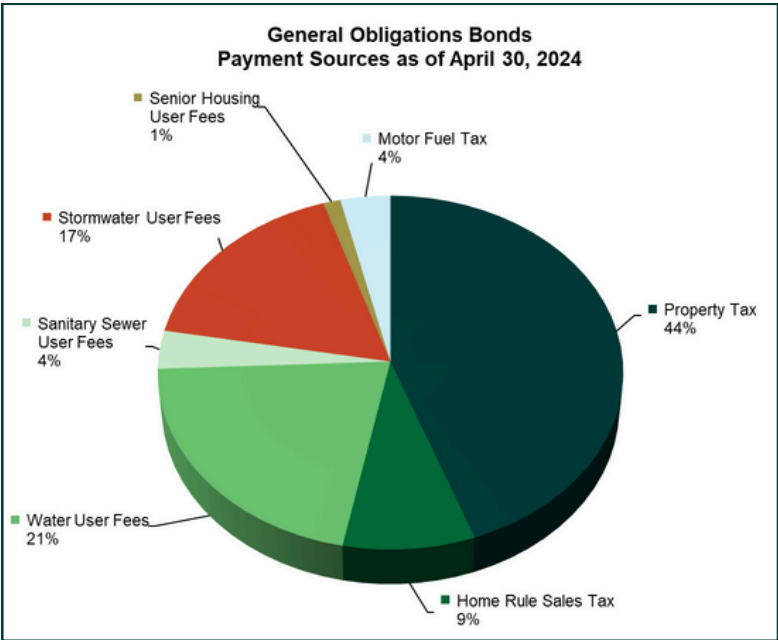
General obligation bonds are direct obligations of the Village and pledged by the full faith and credit of the Village. As the Village faces continuing capital and infrastructure needs, the Village Board is committed to minimizing its annual debt requirements. The Village conducts detailed analyses of 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, 2024, the Village had a number of general obligation debt issues outstanding which totaled approximately \$97.7 million, excluding unamortized bond issuance premiums. Both Moody's and Standard & Poor's assigned their highest quality ratings of Aaa and AAA, respectively, to the Village of Northbrook based on its highly diversified tax base, affluence, strong management, 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, 2024, the Village's general obligation bonded debt for governmental funds was \$55.5 million and debt per capita equaled \$1,575. 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.

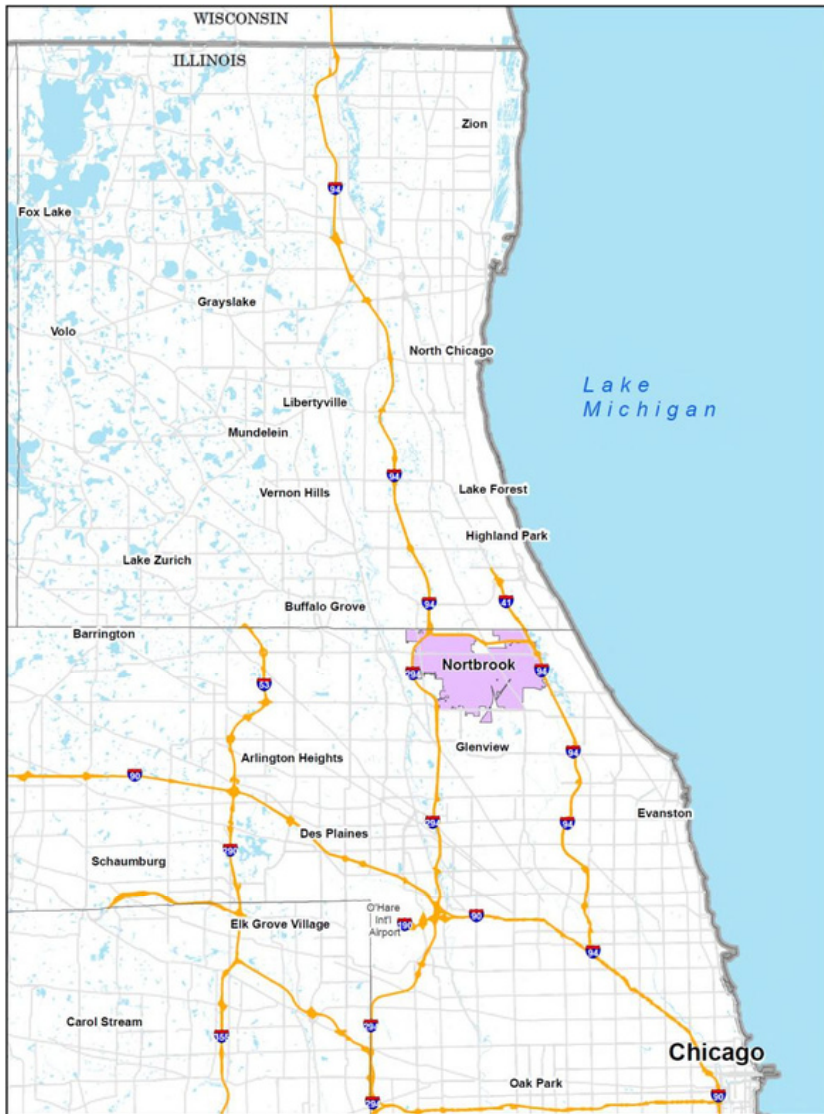


General Obligation Bonds Outstanding as of April 30, 2024			
2012B	Debt Service	\$	289,121
	Stormwater		230,880
2013A	Debt Service		4,420,785
	Water		856,005
	Sanitary Sewer		407,621
	Stormwater		655,589
2014A	Debt Service		8,032,500
	Water		2,065,500
	Sanitary Sewer		918,000
	Stormwater		459,000
2015A	Debt Service		13,525,000
2015B	Debt Service		2,842,905
	Water		5,578,755
	Sanitary Sewer		796,965
	Stormwater		2,676,375
2016	Debt Service		4,291,200
	Water		825,258
	Sanitary Sewer		128,136
	Stormwater		8,140,406
2018A	Debt Service		5,236,000
	Water		6,133,600
	Sanitary Sewer		748,000
	Stormwater		2,842,400
2018B	Debt Service		7,315,000
2019	Debt Service		2,470,000
	Water		2,795,000
	Sanitary Sewer		120,000
	Stormwater		1,800,000
2020	Debt Service		1,557,000
2021	Debt Service		5,495,000
	Water		2,485,000
	Sanitary Sewer		290,000
	Senior Housing		1,240,000
Total		\$	97,667,001
Premium on General Obligation Bonds			3,178,055
Total		\$	100,845,056
Debt Supported by Revenue Other Than Property Tax			(54,258,092)
Total Net GO Debt (i.e. supported by property taxes)		\$	46,586,964

Ratio of Net* General Obligation Bonded Debt to EAV FY 2014-2024

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	3,081,918,660	1.61%
2024	46,586,964	3,206,339,539	1.45%

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



Staff Directory

Village Manager: Cara Pavlicek
 Deputy Village Manager: Jim Hawkins
 Director of Human Resources: Sarah Bagley
 Interim Director of Development and Planning Services: Amy McEwan
 Chief Financial Officer & Treasurer: Steve Drazner
 Chief Information Officer: Lori Baker
 Fire Chief: David Schweih
 Interim Police Chief: John Ustich
 Director of Public Works: Kelly Hamill
 Village Engineer: Aram Beladi

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
 X: @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, 2024.

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.