



## **Rating Action: Moody's Ratings assigns Aaa to Northbrook, IL's new GOs**

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22 Apr 2025

New York, April 22, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating to the Village of Northbrook IL's General Obligation Bonds, Series 2025. The bonds have an expected par amount of about \$24 million. We maintain the village's Aaa issuer rating and Aaa rating on the outstanding general obligation unlimited tax (GOULT) bonds. Following the sale, the village will have just under \$122 million in debt outstanding.

### **RATINGS RATIONALE**

The Aaa issuer rating reflects the village's strong economic profile with full value per capita of about \$280,000 and median resident income that is 190% of the nation. Preliminary results for fiscal 2025 (April 30 year-end) indicate that reserves will remain fairly stable because bond proceed reimbursements will net out planned draws for capital projects. Reserves will likely moderate but remain around 60% of revenue over the next two to three years as the village spends down accumulated balances across capital project funds. Long-term liabilities and fixed costs are elevated for the rating category.

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**

We do not assign outlooks to local government issuers with this amount of 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 closer to 40%
- Increases in long-term liabilities above 500%

### **LEGAL SECURITY**

The village's 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 2025 bonds will finance capital improvements and equipment, as identified in the village's five-year capital improvement plan, including a new fire engine, ambulance fuel island, the fire station and fleet garage projects, water meter replacement, and water main extension.

### **PROFILE**

The Village of Northbrook is located in Cook County (A1 positive) 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 published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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