

Popular Annual Financial Report

Village of Northbrook

FOR THE FISCAL YEAR

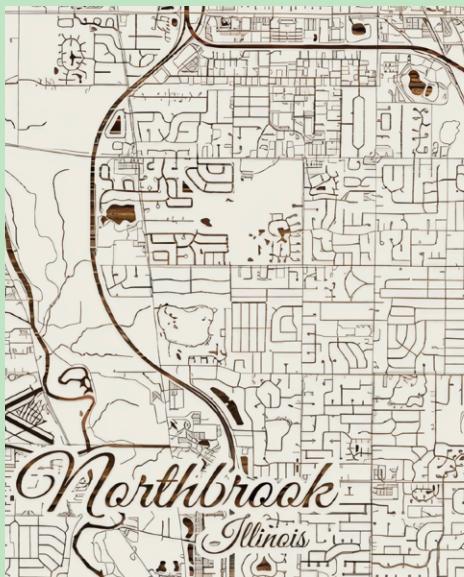
ENDED APRIL 30, 2025

Board of Trustees

Kathryn L. Ciesla, President
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Village Clerk

Derek R. Gau



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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 ended April 30, 2025. 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 2025 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:



Infrastructure Improvements. The Village is moving forward on several projects to improve our infrastructure, available housing, and services for the residents and businesses. In 2026, we will continue to work toward replacing outdated and obsolete public safety facilities, specifically the Fire Station 11, Police Station, and Public Works Fleet Maintenance Garage. We have begun a 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 private property owners, businesses and developers to grow our sales tax base. FY 2025 sales tax revenues increased by 17.2% from the previous year.

Property Taxes. A key priority is to support private investment in current businesses and bring in new businesses to grow our property tax base. Northbrook's current property tax base is the largest it has ever been. Growth in the property tax base can also enhance sales tax revenues and reduce reliance on property taxes paid to support Village government services. Currently, less than 10% of the total property tax bill paid by taxpayers comes to the Village.

Revenues Exceed Expenses. In FY 2025, Village revenues exceeded our expenses by \$5.2 million. The General Fund had a financially strong year ending with \$4.7 million in operating surplus, before transfers out of \$4.0 million to Facility Capital Projects Fund and \$1.0 million to Stormwater Fund. In years when we have strong revenues, typically from sales tax, we are able to fund capital expenses and similar one-time infrastructure investments and avoid borrowing, or issuing debt for these necessary expenditures.

Net Financial Position. Northbrook's net position continues to remain strong with Village assets exceeding liabilities by \$32.6 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.

Finally, 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

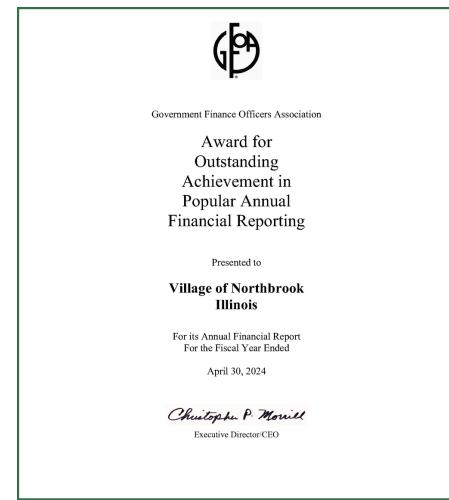


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Village of Northbrook Garners 20th Consecutive Award

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, 2024.

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 29 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.

The retail sector additionally includes the 417,000-square foot Willow Festival shopping center, the 335,000-square foot Village Square shopping center. A Tax Increment Financing (TIF) District has been established to support the complete redevelopment of the 100+ acre Northbrook Court property by its private owner supported by the economic incentives established by the Village for this site in late 2023 and updated in 2025 to establish a foundation for the high quality comprehensive redevelopment of this private property. Despite market driven delays in the private redevelopment and closure of significant retail in the mall property, the redevelopment plan remains relevant for the property as a new residential, retail and dining destination for the North Shore Region.

Redevelopment continues in other sectors of Northbrook and includes the 2024/2025 openings of a RH Outlet and Lazy Dog Restaurant and Bar in Willow Festival, Moksha Indian Grill and Bean Bar in downtown Northbrook, Cabo Mexican Cocina at Landwehr and Dundee, as well as Barnes & Nobel Booksellers, J Crew Factory, The Fresh Market and The North Shore Bistro all on Skokie Boulevard. Both Northbrook's Tesla Sales, Service and Delivery facility and Toyota on Edens opened a new facility on Skokie Boulevard in 2024 as well.

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.

Significant developments for which zoning entitlements have recently been granted include the redevelopment of 175 Pointe Drive with 34 rental townhomes and 2625 Techny Rd for three new carriage house buildings, totaling 36 units, as well as the 48-unit affordable and supportive housing apartment building located at 1657 Shermer Rd.

Northbrook Numbers at a Glance

Population	35,222
Median Income	\$155,321
Median Age	49
Unemployment Rate	4/2025 - 4.3%
Median Home Value	\$644,100
Number of FT Employees, FY 2025	278
Equalized Assessed Valuation, TY 2024 ..	\$3,220,360,461
Total Households	13,296

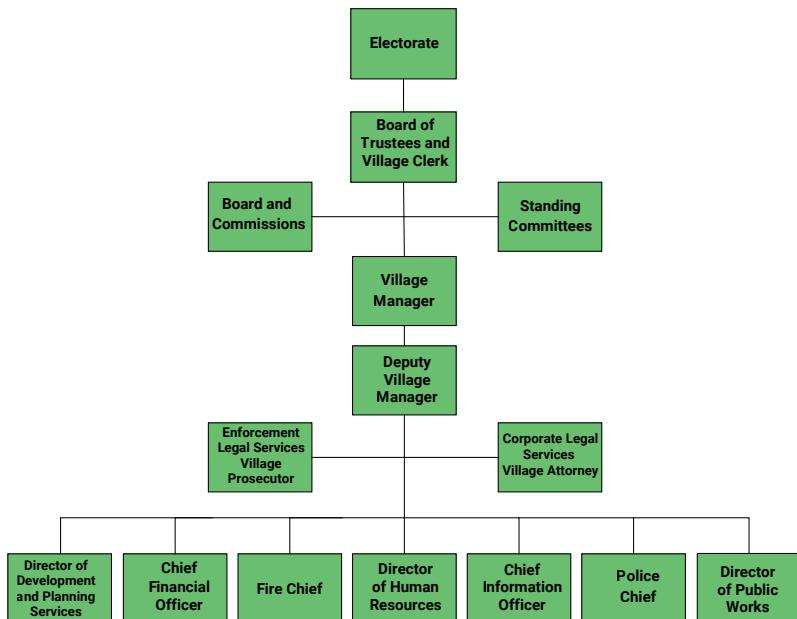
Sources: Village of Northbrook Finance Department, 2019-2023 American Community Survey 5-Year Estimates, 2020 US Census, GIS Consortium & Illinois Department of Employment Security

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.

Village of Northbrook Organization Chart



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.



BOARD OF TRUSTEES

Kathryn L. Ciesla, Village President

TRUSTEES

Robert P. Israel, Heather E. Ross, Johannah K. Hebl, Joy U. Ebhomieni, Michelle Z. Kohler, Matthew T. Cassidy

VILLAGE CLERK

Derek R. Gau

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 connotation. 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.

Departments Highlight Accomplishments of FY 2025

- Purchased properties to facilitate replacement of key public safety facilities for Fire (circa 1971), Fleet (circa 1956) and Police (circa 1974) at 820 Dundee Road, 3504 Commercial, and 3105 Walters Avenue with meaningful progress towards the start of construction for a new Fire Station 11 and Fleet Maintenance Garage.
- Purchased replacement body armor and carrier systems for all sworn police and fire personnel which is essential employee safety equipment.
- Initiated the onboarding of a shared Community Resiliency Specialist in accordance with an Intergovernmental Agreement (IGA) with the NIPSTA and the Village of Wilmette to provide for emergency preparedness support services.
- Annexed parcels of land into Northbrook pursuant to an IGA with the Village of Northfield to facilitate the Skokie Valley Trail project.
- Began the replacement of all existing water meters within the Village's water distribution system with new meters that are remotely read allowing customers ready access to their usage information. Additionally, the new meters will support the Village's efforts to reduce the amount of unreported water usage must be reported to the State of Illinois as part of the Village's Lake Michigan water.
- Began construction of new infrastructure upgrades in Northbrook Downtown as part of a Streetscape Enhancement Project.
- Completed Rating Reviews with Moody's and S & P which resulting in maintenance of the Village's AAA rating.
- Invested in Information Technologies with a focus on cybersecurity matters.



Planned Initiatives for FY 2026

- Start construction on a new Fire Station 11 at 820 Dundee and Fleet Maintenance Garage at 3504 Commercial Avenue replacing existing facilities and undertake policy actions to approve demolition of both facilities which are not viable for reuse. The Village will retain ownership of the existing property where the current facilities operate due to public infrastructure that exists on those sites.
- Finalize site selection for a new Fire Headquarters and Police Station to replace existing 1971 and 1974 facilities which have been evaluated and cannot be renovated/expanded at their current location with meaningful progress towards the start of construction.
- Complete the replacement of all existing water meters within the Village's water distribution system and complete customer education for the new WaterSmart online portal allowing remote read technology and access to usage information.
- Continue to invest in municipal infrastructure including public trees, sanitary and stormwater systems, water distribution systems, streets and sidewalks for a sustainable and resilient network of important public systems.
- Conduct a first ever Strategic Plan by engaging the community to support the Village prioritizing mission-critical activities aligned with the annual budget to increase efficiency and effectiveness.
- Plan and prepare for a community wide celebration of Northbrooks 125th Anniversary.

Village of Northbrook Launches WaterSmart Portal

The Village of Northbrook has launched the free WaterSmart Customer Portal, giving residents and businesses powerful new tools to:

- Track Your Daily Water Usage
- Reduce Water Loss and Surprise Bills
- Receive Water-Saving Tips

REGISTER AT:
northbrookil.watersmart.com

OR SCAN:



Scan to Register for WaterSmart



Scan to watch how-to videos

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 2025 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 seven fiscal years combined with an estimate for FY 2026. FY 2025 sales taxes (all funds) were 17.2% higher than FY 2024 due to a change in the Illinois sales tax rules and new businesses. Total General Fund revenues for FY 2025 were \$67.0 million. Total revenues were \$4.4 million or 7.1% higher than expected due to significantly higher revenues from sales taxes, investment income, ambulance fees and other taxes.

Retail Sales Tax

As of April 30, 2025, 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:

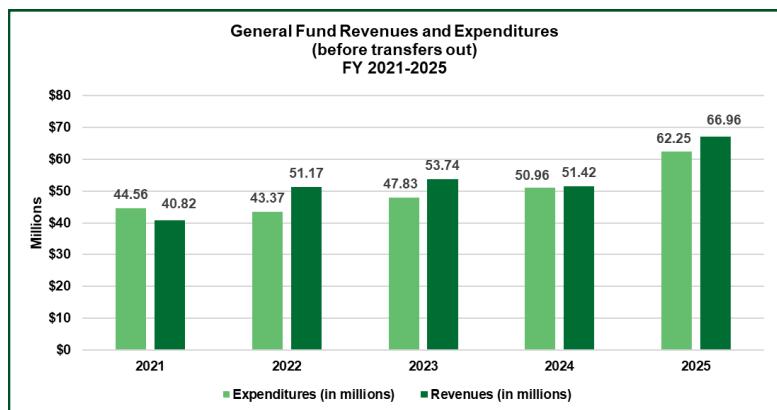
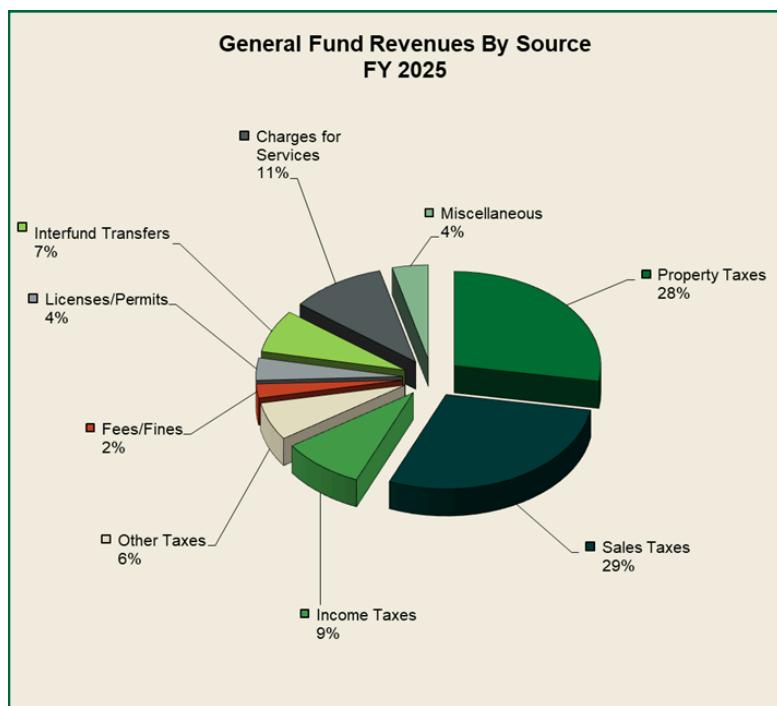
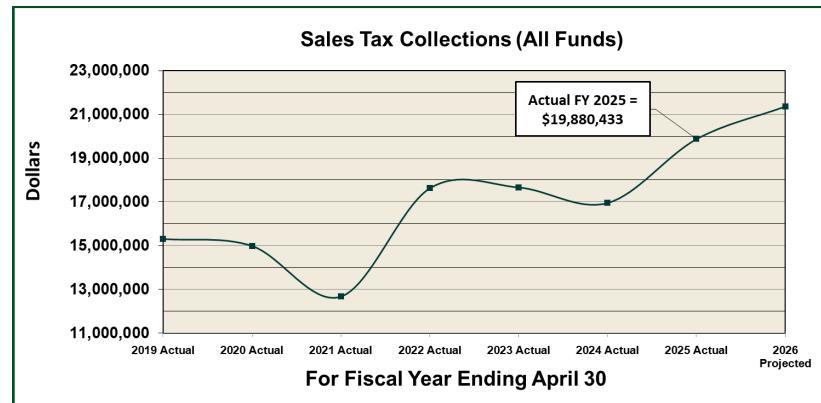
State Portion	5.00%
Village Portion	1.00%
County Portion	0.25%
<i>Subtotal Sales Tax by State Regulation</i>	6.25%
Village Home Rule Retailers' Occupation Tax	1.00%
Cook County Home Rule Retailers' Occupation Tax	1.75%
RTA Sales Tax	1.00%
<i>Subtotal Sales Tax by Units of Home Rule</i>	3.75%
Total Sales 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. Effective January 1, 2025, additional remote sellers, who previously were obligated to collect Illinois Use Tax, became subject to destination-based sales tax, which increased local portion of sales tax for the Village.

General Fund Operating Results

The General Fund ended the year in solid financial condition with an operating surplus of \$4.7 million, before factoring in other financing sources (uses). However, the fund reported a net deficit of \$300 thousand, when including interfund transfers of \$4.0 million of calculated "surplus" in the General Fund into the Facility Capital Projects Fund, and \$1.0 million to Stormwater Fund, as well as a \$0.7 million contribution to the Police and Firefighters' pension funds to accelerate a reduction in the unfunded pension liabilities.

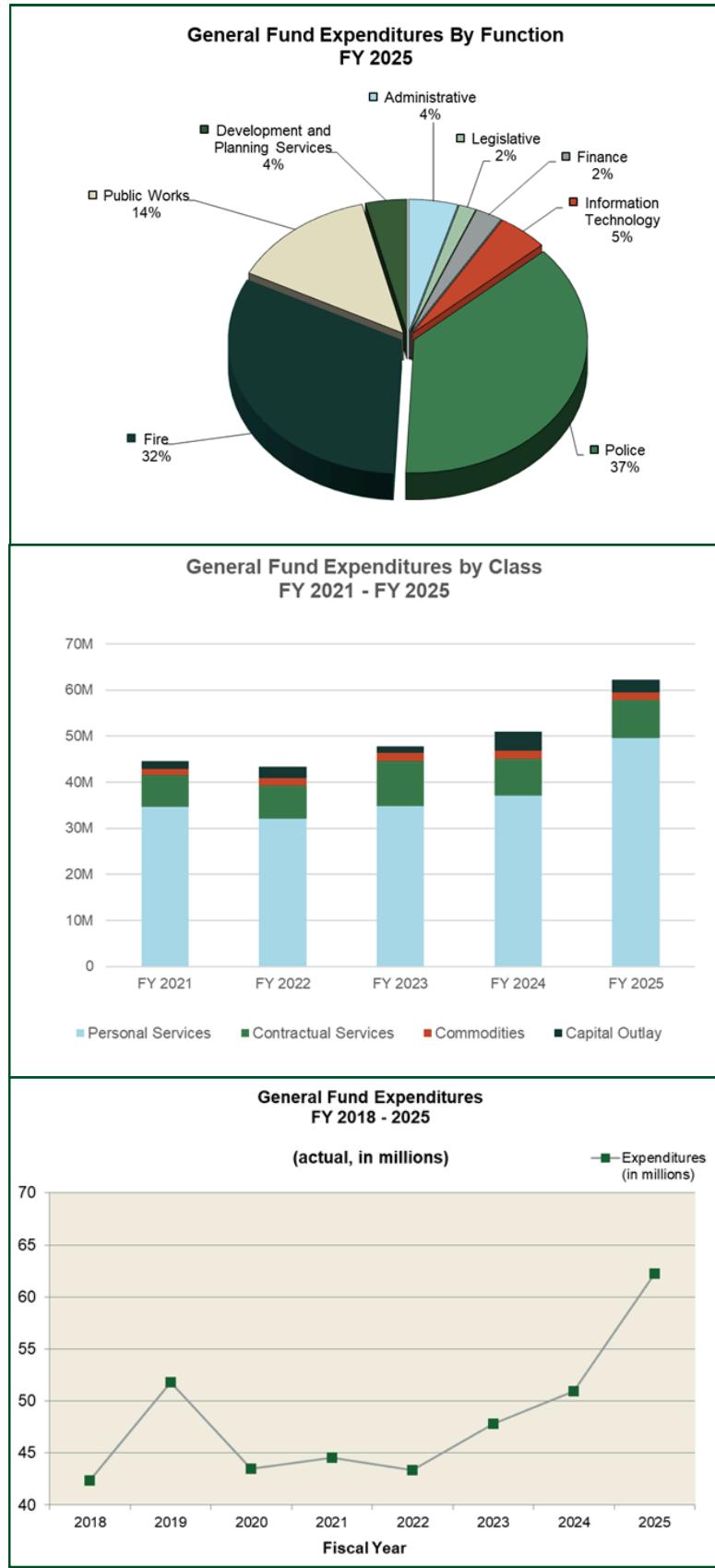
On April 30, 2025, the Unassigned General Fund balance totaled \$26.4 million or 46% of General Fund revenues, excluding public safety pension levies. The Village Board has made a policy objective to maintain an unreserved General Fund balance equal to 40% of revenue and to set aside 70% of the surplus reserves to its Facility Capital Projects Fund (FCPF) for facility needs for Police, Fire and Public Works. Pursuant to the Board's policy, an interfund transfer of \$4.0 million was made into the FCPF in FY 2025 based on the FY 2024 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 allocated among specific functions which comprise the fund. As you can see from the graph to the right, public safety (Police and Fire) expenditures account for the majority (69%) of the General Fund operations. Actual expenditures, excluding transfers out and other financing uses, for the entire Fund totaled \$62,253,481 and were \$2.8 million or 4.3% below the amended budget amounts. The decrease in expenditures is mostly attributable to salary savings from retirements and routine turnover, and timing of contractual and capital expenditures.



The graph above shows General Fund expenditure trend for the last eight years. FY19 includes acquisition of the "Grainger Property & Building." FY23, FY24, and FY25 experienced an increase primarily due to increases in pension contributions, personal expenses, interfund transfers and timing of capital expenditures.

Village Share of Property Tax Bill

As indicated in the graphic to the right, the Village of Northbrook anticipates receiving approximately 9 cents (9%) for every dollar of property tax bills paid for the 2024 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 2024 Tax Levy increased 5% compared to 2023 Tax Levy.



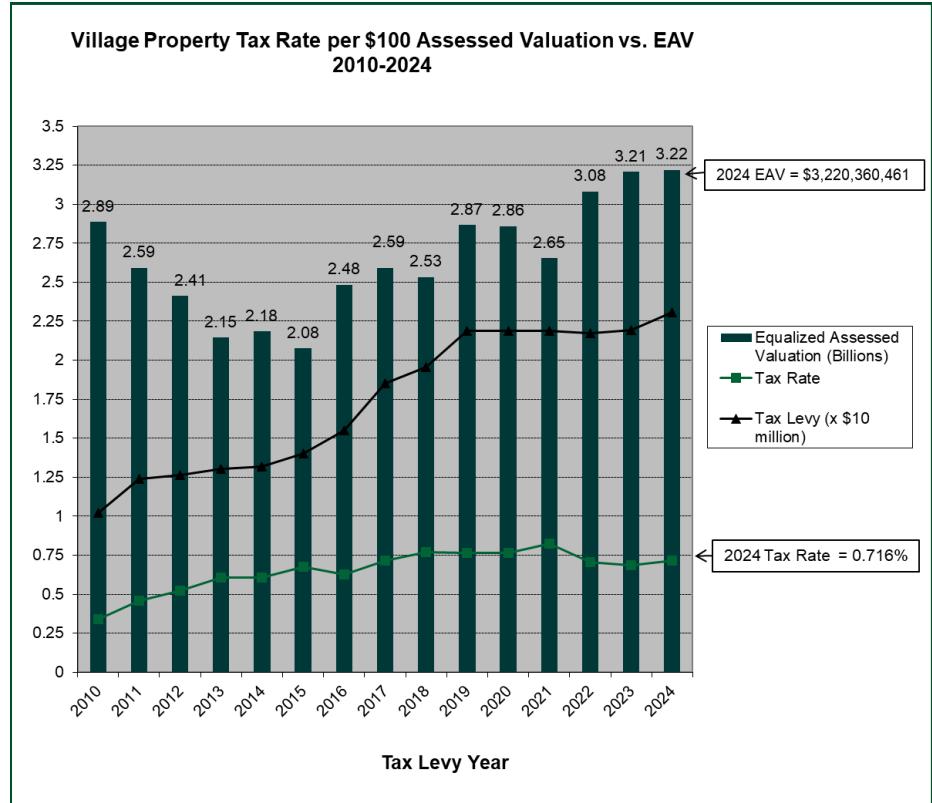
Based on figures from a typical 2024 property tax bill for a resident of the Village of Northbrook.

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 55%. During the same time period, the Village's property tax rate has increased by only 6%.

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 2024 EAV was \$3.22 Billion compared to the 2015 EAV of \$2.08 Billion. The Village's 2024 property tax rate was 0.716% compared to the 2015 property tax rate of 0.676%.



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 \$32.6 million.

Net position was \$32.6 million in FY 2025, an increase of \$5.2 million, before the change in accounting principle adjustment. Of the Village's net position, \$107.7 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. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional \$2.9 million of the Village's net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position was negative \$78.0 million. The negative net

position is due to incorporation of GASB Statement No. 68, requiring the inclusion of about \$108.0 million of net pension liability and GASB Statement No. 75, resulting in a \$7.8 million OPEB liability recorded on the financial statements.

GASB Statement No. 75 relates to the reporting of the total liability and related items for the post-employment 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. It is important to note that this is only a change in financial reporting presentation and does not change the Village's actual financial resource.

Facility Capital Projects Fund

Facility Capital Projects Fund (FCPF) was established in FY 2022 to account and provide for financial resources for the replacement of Fire Station 11, Police Station and Public Works Fleet Maintenance Garage. Pursuant to the

Board's direction, an interfund transfer of \$4.0 million, or 70% of the unreserved General Fund balance above 40% target policy was made into FCPF in FY 2025 based on the FY 2024 results.

Public Safety Pension Plans

The Village is committed to responsibly funding its public safety pension plans by exceeding state-mandated contribution levels and reducing unfunded liabilities. Each year, a certified actuary determines the recommended contribution amount.

Effective May 1, 2018, the Board increased the ambulance transport fee and applied the additional revenue annually to reduce unfunded liabilities in the Police and Fire pension funds. In FY 2025, the Village contributed \$357 thousand to each pension fund based on the calculated FY 2024 General Fund surplus. As of April 30, 2025, the Village's police and fire pension plans had funding ratios of 62.8% and 59.0%, respectively.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Other Assets	\$77,697,253	\$80,792,456	\$4,729,454	\$10,075,710	\$82,426,707	\$90,868,166
Capital Assets	100,634,423	94,675,611	88,684,314	79,503,748	189,318,737	174,179,359
Total Assets	178,331,676	175,468,067	93,413,768	89,579,458	271,745,444	265,047,525
Deferred Outflows	15,720,664	18,772,579	1,006,118	1,450,193	16,726,782	20,222,772
Total Assets/Deferred Outflows	194,052,340	194,240,646	94,419,886	91,029,651	288,472,226	285,270,297
Long-Term Liabilities	164,083,805	171,728,361	39,357,382	42,810,274	203,441,187	214,538,635
Other Liabilities	17,383,865	18,761,291	12,075,891	6,139,206	29,459,756	24,900,497
Total Liabilities	181,467,670	190,489,652	51,433,273	48,949,480	232,900,943	239,439,132
Deferred Inflows	22,651,282	16,880,223	308,417	376,195	22,959,699	17,256,418
Total Liabilities/Deferred Inflows	204,118,952	207,369,875	51,741,690	49,325,675	255,860,642	256,695,550
Net Position						
Net Investment in Capital Assets	59,143,290	52,670,873	48,528,275	36,389,455	107,671,565	89,060,328
Restricted	2,929,701	1,367,191	-	-	2,929,701	1,367,191
Unrestricted (Deficit)	(72,139,603)	(67,167,293)	(5,850,079)	5,314,521	(77,989,682)	(61,852,772)
Total Net Position	(\$10,066,612)	(\$13,129,229)	\$42,678,196	\$41,703,976	\$32,611,584	\$28,574,747

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.

The consolidated Net position of the Village's Primary Government activities increased by \$4.0 million, including the change in accounting principle adjustment, compared to the prior year. This increase reflects a negative \$1.2 million restatement of the fund balance resulting from the implementation of GASB Statement No. 101, which requires the accrual of liabilities for employees' earned sick time expected to be used when its use is both probable and measurable. The unrestricted net position of the Village's governmental activities was negative \$72.1 million. The negative net position is entirely attributable to the incorporation of GASB Statement No. 68 and GASB Statement No. 75 (see page 8).

The \$3.2 million increase in Net position of Governmental activities for the fiscal year ended April 30, 2025 is primarily driven by favorable revenue variances relative to budget—particularly in sales taxes, interest income, ambulance fees and property taxes. Additional savings were realized through temporary personnel vacancies and the timing of contractual and capital expenses.

Net position of business-type activities increased 2.0% from the prior year. The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing and parking operations. Total revenues and costs for all programs and services were comparable to the prior fiscal year. Charges for Services and other revenues for business-type activities were \$14.9 million while expenses were \$15.1 million, generating a decrease in net position of \$183.6 thousand, before interfund transfers. A notable change in Business type activity is a \$1 parking fee increase from \$1.00 to \$2.00 that took effect in June 2024. It was determined that this increase was needed to accrue reserves for future parking lot capital expenses.



Statement of Activities

	Governmental Activities		Business-Type Activities		Primary Government	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenues						
Program Revenues						
Charges for Services	\$11,581,604	\$11,285,808	\$14,544,132	\$14,391,183	\$26,125,736	\$25,676,991
Capital Grants/Contributions	-	-	212,971	-	212,971	-
Operating Grants/Contributions	1,841,031	1,845,840	-	-	1,841,031	1,845,840
General Revenues						
Property Taxes	22,825,493	22,558,184	-	-	22,825,493	22,558,184
Sales Taxes	19,880,433	16,957,035	-	-	19,880,433	16,957,035
Other Taxes	11,690,401	11,284,724	-	-	11,690,401	11,284,724
Other General Revenues	3,831,492	3,392,819	138,171	593,596	3,969,663	3,986,415
Total Revenues	71,650,454	67,324,410	14,895,274	14,984,779	86,545,728	82,309,189
Expenses						
General Government	12,301,786	7,081,384	-	-	12,301,786	7,081,384
Public Safety	43,756,318	43,515,007	-	-	43,756,318	43,515,007
Public Works	8,367,744	12,040,429	-	-	8,367,744	12,040,429
Interest on Long-Term Debt	1,792,078	1,942,850	-	-	1,792,078	1,942,850
Water	-	-	9,300,839	9,212,230	9,300,839	9,212,230
Sanitary Sewer	-	-	2,086,368	1,979,902	2,086,368	1,979,902
Stormwater Utility	-	-	2,523,992	2,276,469	2,523,992	2,276,469
Senior Housing	-	-	998,478	1,059,524	998,478	1,059,524
Parking Facilities	-	-	169,177	162,883	169,177	162,883
Total Expenses	66,217,926	64,579,670	15,078,854	14,691,008	81,296,780	79,270,678
Change in Net Position	5,432,528	2,744,740	(183,580)	293,771	5,248,948	3,038,511
Transfers In (Out)	(1,000,000)	-	1,000,000	-	-	-
Increase in Net Position	4,432,528	2,744,740	816,420	293,771	5,248,948	3,038,511
Net Position - Beginning as Previously Reported	(13,129,229)	(15,873,969)	41,703,976	41,410,205	28,574,747	25,536,236
Change in Accounting Principle	(1,212,111)	-	-	-	(1,212,111)	-
Error Correction	(157,800)	-	157,800	-	-	-
Net Position - Beginning as Restated	(14,499,140)	(15,873,969)	41,861,776	41,410,205	27,362,636	25,536,236
Net Position - Ending	(\$10,066,612)	(\$13,129,229)	\$42,678,196	\$41,703,976	\$32,611,584	\$28,574,747

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 these services. Expenses from business-type activities increased by 2.6%, while revenues decreased by 0.6%. The increase in expenses is primarily attributable to changes in the Village's net pension liabilities and deferred items. Total revenues and costs for all programs and services were comparable to the prior fiscal year. 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.

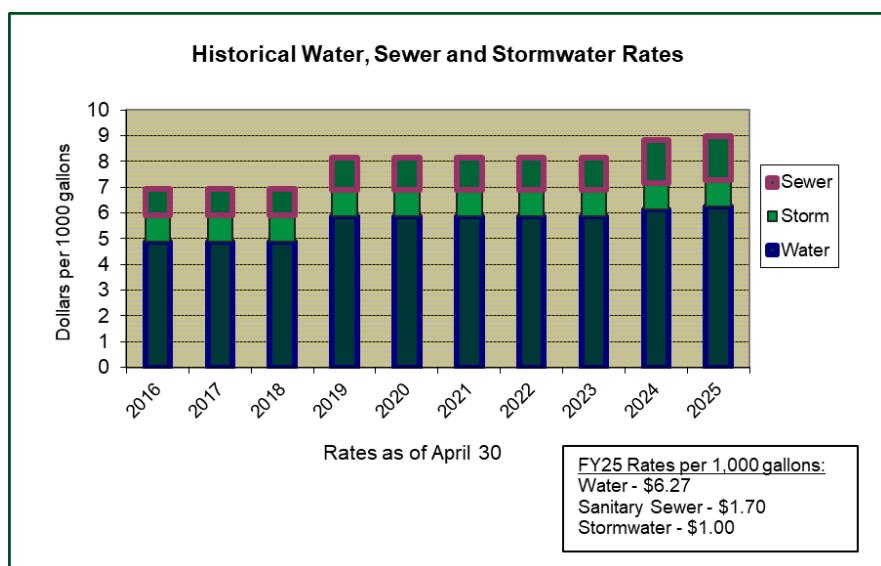
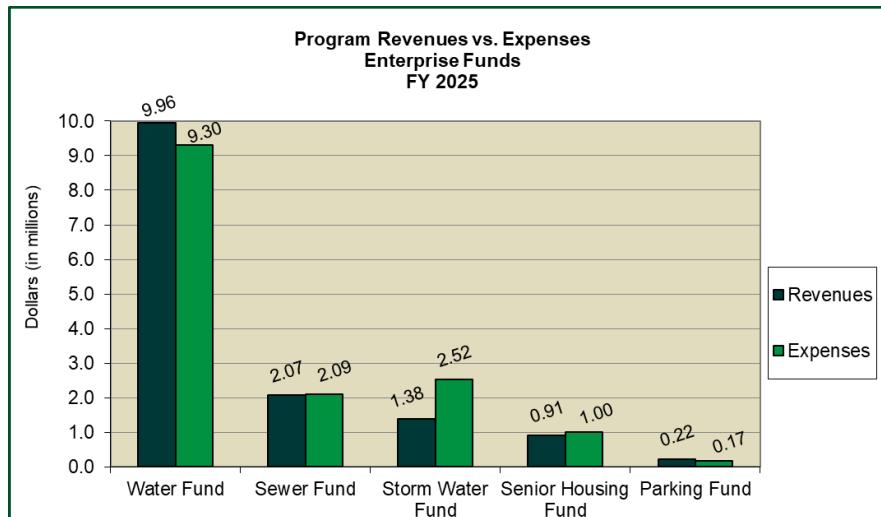
The water and sewer rates study were completed in FY 2023. As a result, effective May 1, 2023, Water and Sewer rates increased from \$5.88 to \$6.15, and from 1.26 to \$1.70, respectively, per 1,000 gallons, followed by an annual increase in Water rate of 2% effective May 1, 2024 and May 1, 2025.

For stormwater, customers are billed at a rate of \$1.00 per thousand gallons of water used. This fund experienced a surplus of \$70,841 in the current year after an interfund transfer-in of \$1.0 million. Without this transfer in, the deficit would have significantly added to the accumulated fund balance deficit. A stormwater rate study will be completed in FY 2026.

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 - 195 miles
- Number of System Valves - 2,290
- Number of Fire Hydrants - 2,459
- Water delivered to customers - 1,820,271 gallons

Sanitary Sewer System:

- Sanitary System Mains - 132 miles

Stormwater System:

- Storm Sewers - 214 miles

Village Issues Debt to Finance Capital Projects

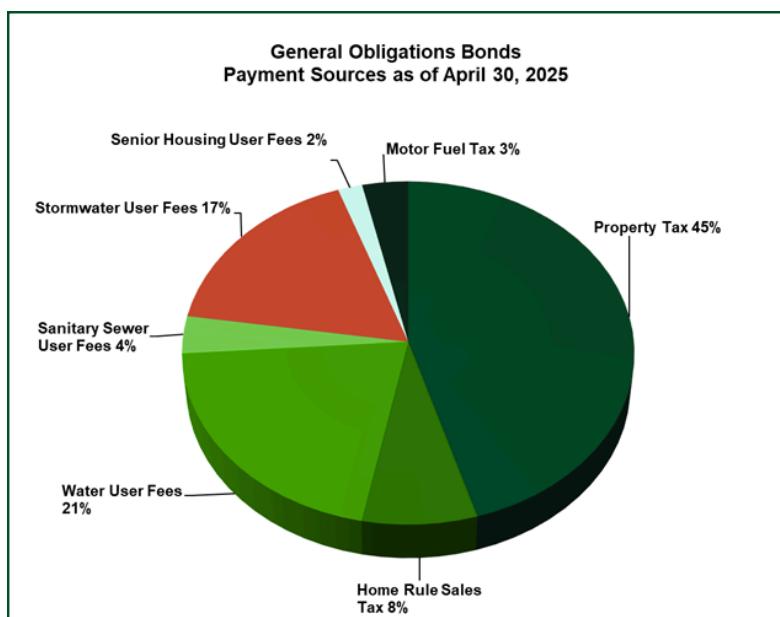
The Village issues general obligation bonds to provide funds for facilities improvements, streets, stormwater, sewer, and water system improvements.

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, 2025, the Village had a number of general obligation debt issues outstanding which totaled approximately \$89.7 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. The Village is required to have one of more credit rating agencies issue a rating prior to the issuance of Village bonds. Investors utilize these ratings from independent rating agencies to assess and create a risk profile for investing and purchasing the Village's general obligation bonds. The higher the ratings, the less risk is associated with the investment which in turn translates to lower interest paid on the bonds. The Village's triple A rating saves Northbrook taxpayers thousands of dollars in interest expense.

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, 2025, the Village's general obligation bonded debt for governmental funds was \$50.8 million and debt per capita equaled \$1,442. 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.

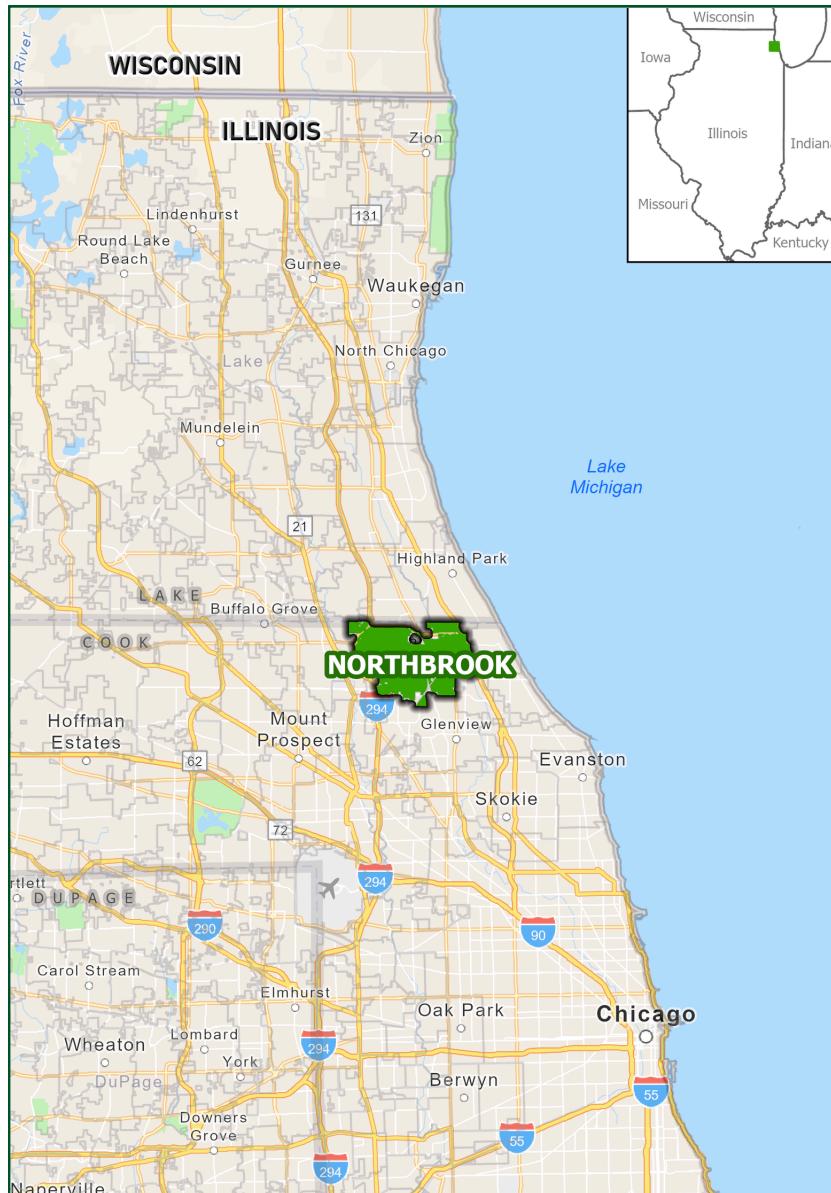


General Obligation Bonds Outstanding as of April 30, 2025			
2012B	Debt Service	\$	219,621
	Stormwater		175,380
2013A	Debt Service		564,800
	Water		109,365
	Sanitary Sewer		52,077
	Stormwater		83,758
2014A	Debt Service		6,447,000
	Water		1,657,800
	Sanitary Sewer		736,800
	Stormwater		368,400
2015A	Debt Service		12,490,000
2015B	Debt Service		2,645,730
	Water		5,191,830
	Sanitary Sewer		741,690
	Stormwater		2,490,750
2016	Debt Service		3,770,000
	Water		380,001
	Sanitary Sewer		195,000
	Stormwater		8,269,999
2018A	Debt Service		5,330,000
	Water		5,750,000
	Sanitary Sewer		740,000
	Stormwater		2,355,000
2018B	Debt Service		6,890,000
2019	Debt Service		2,260,000
	Water		2,560,000
	Sanitary Sewer		115,000
	Stormwater		1,710,000
2020	Debt Service		1,396,000
2021	Debt Service		5,495,000
	Water		2,380,000
	Sanitary Sewer		280,000
	Senior Housing		1,185,000
2024	Debt Service		3,287,580
	Water		635,850
	Sanitary Sewer		301,440
	Senior Housing		485,130
Total		\$	89,746,001
Premium on General Obligation Bonds			3,284,622
Total		\$	93,030,623
Debt Supported by Revenue Other Than Property Tax			(49,025,990)
Total Net GO Debt (i.e. supported by property taxes)		\$	44,004,633

Ratio of Net* General Obligation Bonded Debt to EAV FY 2014-2025

Year	Net G.O. Debt	EAV	Ratio
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%
2025	44,004,633	3,220,360,461	1.37%

* 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
 Director of Development and Planning Services: Amy McEwan
 Chief Financial Officer & Treasurer: Steve Drazner
 Chief Information Officer: Lori Baker
 Fire Chief: David Schweihs
 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

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[Facebook.com/northbrookillinois](https://www.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, 2025.

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.