Village of Willowbrook, Illinois

Annual Comprehensive Financial Report

For the Year Ended April 30, 2025

VILLAGE OF WILLOWBROOK, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
April 30, 2025

Prepared by Finance Department

Lora Flori
Director of Finance

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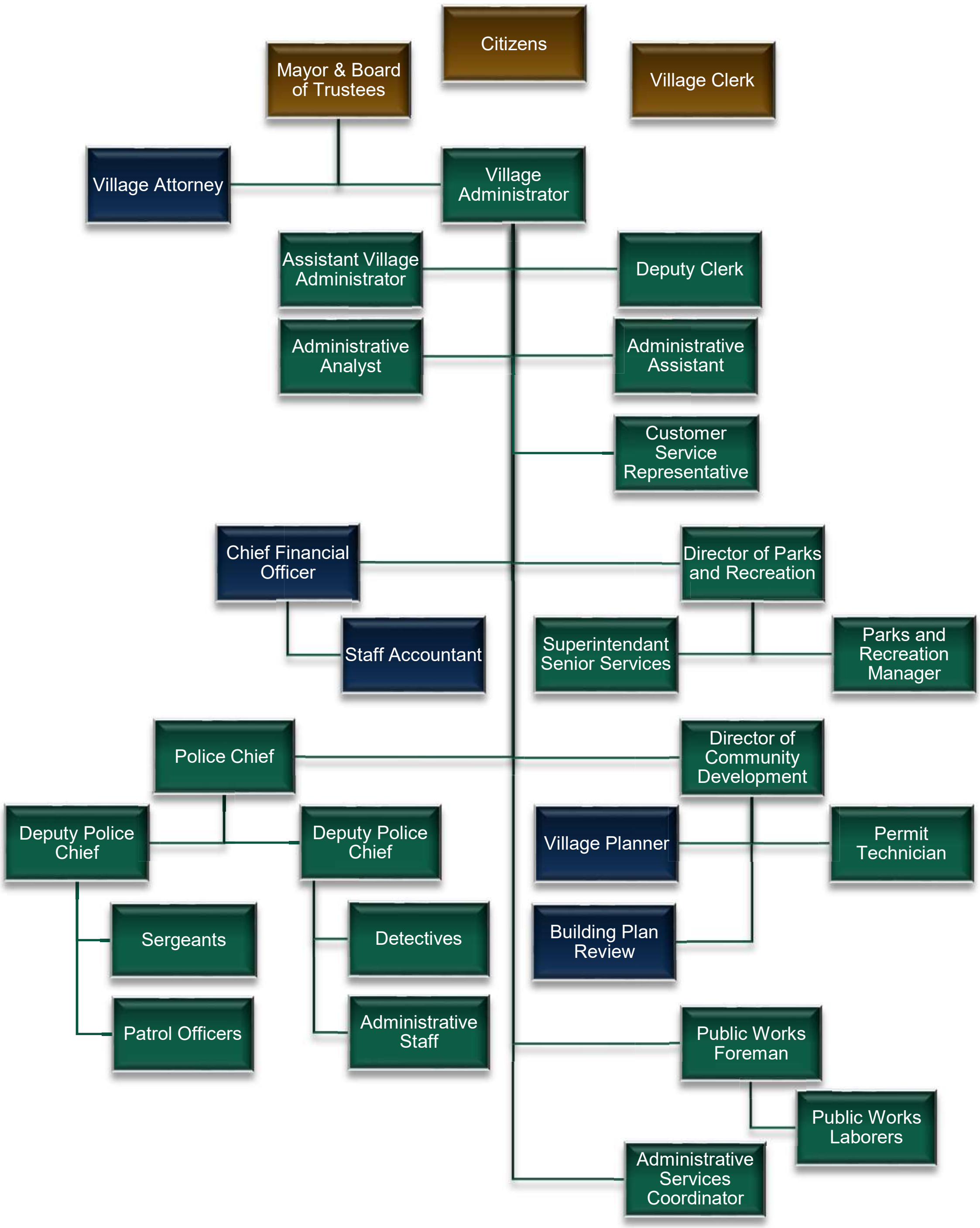
Village Board of Trustees

Executive Staff

Village of
WILLOWBROOK

ORGANIZATIONAL CHART



LEGEND:

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Willowbrook
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2024

Christopher P. Morrill

Executive Director/CEO

Village of

WILLOWBROOK

November 6, 2025

Mayor Frank A. Trilla
Members of the Willowbrook Village Board
Residents of the Village of Willowbrook

We are pleased to hereby submit the *Annual Comprehensive Financial Report* (*ACFR*) for the Village of Willowbrook, Illinois (Village) for fiscal year ending April 30, 2025. This report provides a broad view of the Village's financial activities for FY2024/2025 and its financial position at April 30, 2025. In addition to those addressed above, bondholders, financial institutions, credit rating agencies, educational institutions, and other governmental entities may use this report. Illinois' statutes require that Illinois municipalities publish annual financial statements that are prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants. In producing the *ACFR*, the Village of Willowbrook has chosen to provide financial information that is significantly greater than that which is required under state law.

Responsibility for both accuracy of the information presented in the *ACFR* and the completeness and fairness of the presentation, including all disclosures, rests with Village management. We believe that the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the Village's financial position and results of its operations and; that all disclosures necessary to allow the reader to gain full understanding of the Village's financial affairs have been included.

Sikich CPA LLC (Certified Public Accountants) has issued an unmodified opinion on the Village's financial statements for fiscal year ending April 30, 2025. The *Independent Auditor's Report* is presented as the first part of the financial section of this report.

Village management has established a system of internal control designed to assure that Village assets are safeguarded against loss, theft, or misuse. The system of internal control also assures that the accounting system compiles reliable financial data for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of the costs and benefits requires management estimates and judgments.

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This *Letter of Transmittal* should be read in conjunction with the *Management's Discussion & Analysis* (*MD&A*) to obtain the most complete assessment of the Village's current financial status and its potential for future success. The *MD&A* immediately follows the *Independent Auditor's Report* and provides a narrative introduction, overview, and analysis of the basic financial statements.

Profile of the Village of Willowbrook

The Village of Willowbrook was incorporated on January 18, 1960, at which time it became one of Illinois' smallest villages. There were 167 residents living in homes that were surrounded by farmland. The Village's first Chief of Police was appointed in 1961 to oversee law enforcement duties, while the first Village Administrator was not appointed until 2010. Since that time, the Village has evolved into a thriving suburban village with a strong community and Route 66 heritage. While growth of the Village was initially slow, its population increased in the 1970's to almost 1,500, growing again, significantly, to just under 5,000 by 1980. The Village's population, as of the 2020 census, was 9,236, an increase of 8.1% from the 2010 census. The Village is in DuPage County, Illinois, approximately 21 miles southwest of Chicago and has a total area of 2.63 square miles.

The Village is a home-rule municipality. As a home-rule municipality, the Village does not have any tax rate or debt limitations. It is also not required to sponsor a referendum to issue debt or increase property taxes.

The Village operates under a trustee-village form of government, whereby the Mayor and six Trustees form the legislative and policy-making body of the Village. The Mayor and Village Clerk are elected to four-year terms, while the six Trustees are elected to four-year staggered terms.

The Board hires the Village Administrator to implement its policies and ordinances and oversee the Village's day to day operations. The Village provides a full range of general administrative; public safety; highways and streets; economic development; and culture and recreation services.

Additional demographic information about the Village can be found in the Statistical Section at the end of the *Financial Report*.

Annual Budget Process

The annual budget is the Village's foundation for financial planning and control. The adopted *FY2024/2025 Budget* includes a budget for all Village Funds, except for the Police Pension Fund and SSA #1 Bond and Interest Fund, both of which are fiduciary funds. All Village departments submit annual budget requests to the Village Administrator for review. The Village Administrator and/or CFO prepare the annual budget, which is structured using the following hierarchy.

The annual budget includes (a) prior fiscal year revenues and expenses (b) current fiscal year estimates of revenues and expenses and (c) next fiscal year budget of revenues and expenses. The budget is presented as a balanced budget, whereby anticipated expenditures and other outflows are less than or equal to anticipated revenues, other inflows, and unassigned fund balance.

Village staff conducts three budget workshops, from January through March, and a public hearing to present and discuss the proposed annual budget. Every April, the Village Administrator and/or CFO submits the Village's proposed annual budget to the Board. The proposed annual budget must be made available for public inspection at least ten days prior to passage of the Annual Budget Ordinance. The Village's Annual Budget Ordinance must be enacted by April 30.

Local Economy

Major Revenue Generator

Retail sales are the major generator of the Village's most significant revenue source – municipal sales tax. Because the Village does not levy a property tax to fund the services it offers to its residents and businesses, sales tax revenue is vital to the Village. Taxable sales in Willowbrook ended calendar year 2024 at $565.1 million, accounting for 2.0% of total taxable sales in DuPage County. The Village's sales per capita indicates a robust retail environment that certainly outperforms other surrounding communities.

Willowbrook's performance is largely attributed to its strategic location (at Route 83 and I-55). Its location has attracted at least four thriving retail centers (see below), drawing consumers from a wide area.

The Village actively focuses on using property for retail to generate sales tax revenues, as can be seen from the schedule below that shows approximately 800,000 square feet of retail space within the boundaries of Willowbrook.

Retail Center	Retail Sq. Ft.	Retail Center	Retail Sq. Ft.
Hinsdale Lake Commons	187,000	Willowbrook Plaza 2	55,000
Willowbrook Town Center	182,000	Woodland Plaza	32,000
Target	129,000	Willowbrook Square	29,000
Willows of Willowbrook	100,000	Willowbrook Plaza 1	13,000
Willow Commons	61,000	Patio Retail Center	12,000

The three largest retail properties account for 62.2% of the total square feet of retail space in the Village of Willowbrook.

Recent Developments

The Village of Willowbrook continues to be a destination for food and beverage establishments, as it welcomed the recent openings of Binny's Beverage Depot, Panda Express, Crave Cookies, Cava Mediterranean Grill, and Shaghaf Café. Daiso Japan, a Japanese inspired home décor and more store, opened its first Illinois store bringing all the fun to Willowbrook in its debut, with the opening highlighted in the Chicago news.

In addition to these new businesses, there were also existing businesses that expanded their operations. The most notable expansion was Tru Fragrance & Beauty (Tru Fragrance). In April 2024, a private equity firm acquired a majority stake in Tru Fragrance to accelerate its growth and support expanded distribution. The strategic plan resulted in the construction of an additional 45,000 square foot warehouse.

Club Champion, the world's leading custom golf fitter, also expanded its operations during the fiscal year by completing a new 26,700 square-foot facility that includes an office, R&D fitting center, and custom assembly shop.

Current Developments

In recent months, the Village purchased multiple properties with the sole purpose of redeveloping the properties. To support future property use, the Village Board, in July 2025, approved the purchase of two houses located on Plainfield Road. Future use of the property includes (a) expanded recreational opportunities (b) economic development or (c) stormwater improvements. The Village's current plan is to demolish the houses and restore the property.

In August 2025, the Board approved the purchase of a vacant retail complex, also located on Plainfield Road, for $5.1 million. The Village's commitment to purchase the site, a former bowling alley that closed seven years ago, supports its plan for future economic development. The purchase ensures that the property will be redeveloped for retail use, which is consistent with the Village's traditional practice of focusing on retail and restaurant development, to generate sales tax revenues to fund its operations. The property purchase also aligns with the Village's longstanding commitment to not levy a property tax to fund its general operations and to maintain one of the lowest overall tax levies in DuPage County.

Over the years, the Village has used (a) economic incentive agreements, whereby the Village and the developer share in sales tax revenues and (b) tax increment financing (TIF) to finance (re)development projects and/or attract or maintain retail businesses. The Village will finance the purchase of the vacant retail complex (discussed above), by a bank loan. The expected closing date is late November 2025. The Village's continued ability to finance its future development without levying a property tax is instrumental in the Village's financial sustainability and its desirability to businesses and residents.

Economic Outlook

As inflation eases from recent historical peaks, the Federal Reserve faces the challenge of maintaining restrictive policy while preventing an economic slowdown. On the national level, inflation is expected to average between 2.3% and 2.8% during the coming year, with the potential for positive gains due to energy and/or import price volatility. In response to this challenge, the Federal Reserve is expected to launch gradual rate cuts with the possibility of bringing federal fund rates toward the 4.0% range by late 2025. While gradual rate cuts may benefit borrowers, the cuts are likely to flatten returns on cash and short-term investments – a challenge for local governments.

National forecasts report slower but sustained economic growth. The volume of production in the economy is expected to grow between only 1.5% and 2.5%, which indicates comparatively weaker consumer demand. The labor market is shifting from one of rapid growth to one of slowing down. Average monthly job gains in 2025 are expected to fall near 130,000 from stronger gains earlier in the decade. The unemployment rate, of 4.2% during mid-2024, is projected to only slowly rise to 4.5%. Wage growth is also stabilizing. While employer costs are moderating, the slowing of wage growth is limiting household income gains. The healthcare and construction industries continue to grow, as other sectors slow down hiring and experience tighter margins.

Economic risks remain in the forefront – heightened geopolitical tensions and cybersecurity risks. Geopolitical tensions could disrupt global trade or elevate energy costs, resuming inflationary pressures that would impact household budgets and local government finances. Cybersecurity risks threaten critical infrastructure and service delivery. Additionally, the fiscal challenges faced by the federal and state governments, along with the shifting policy landscapes, could have an impact on intergovernmental revenues and grant programs. All these external pressures highlight the importance of maintaining flexibility and resilience in short-term and long-term planning.

As these dynamics relate to the Village, revenue growth tied to local sales activity, utility consumption, and building permit demand need to be conservatively projected. Expenditure growth, however, may be more controlled than in recent years, as inflationary pressures diminish, allowing operating costs to stabilize if there are no significant changes to operations or capital investment plans.

In the current economic climate, the Village's approach of cautious fiscal management remains important. By continuing to focus on adequate reserves and proactively monitoring risks, the Village can navigate slower national growth while in a position to secure opportunities if economic activity were to grow stronger than forecasted.

Pension Plans

The Village contributes to two pension plans – Illinois Municipal Retirement Fund (IMRF) and The Village of Willowbrook Police Pension Plan (Plan).

The Illinois Retirement Fund reports on a calendar year basis. On December 31, 2024, the Village's unfunded net pension liability was $1.4 million, a decrease of $0.6 million, or 30.0%, from the prior calendar year. The funded ratio was 90.65%, up from 86.40% in the prior calendar year.

On April 30, 2025, the unfunded net pension liability of the Village of Willowbrook Police Pension Plan was $15.4 million, a decrease of $0.4 million, or 2.5%, from the prior fiscal year. The funded ratio was 66.3%, up slightly from 63.7% for the prior fiscal year. Illinois State Statute requires the Plan to be 90% funded by 2040; the Plan is on track to be 100% funded by 2040.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate) to the Village of Willowbrook for its *Annual Comprehensive Financial Report for the Fiscal Year Ended April 30, 2024*. This was the 36th consecutive year that the Village was awarded the Certificate. To be awarded the Certificate, the Village must publish an easily readable and efficiently organized *Annual Comprehensive Financial Report* that has all necessary financial information to be able to assess the Village's financial health. The *ACFR* must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe the current *Annual Comprehensive Financial Report* continues to meet the requirements of the Certificate of Achievement Program and will be submitting it to the GFOA to determine its eligibility for the Certificate.

Our sincere appreciation to the Mayor, Board of Trustees, and all Village staff for another year of your continued support.

Sean Halloran, Village Administrator

Lora Flori, Chief Financial Officer