

**Rating Action: Moody's assigns Aaa to Northbrook, IL's GOULT bonds; outlook stable**

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05 Aug 2021

New York, August 05, 2021 -- Moody's Investors Service assigns a Aaa to Northbrook (Village of), IL's \$10.5 million General Obligation Bonds, Series 2021. Moody's also maintains the Aaa rating on the village's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the village will have \$130 million in GOULT debt outstanding. The outlook is stable.

**RATINGS RATIONALE**

The Aaa GOULT rating reflects the large and affluent tax base with economic ties to the Chicago (Ba1 stable) metro area and healthy operating reserves. The rating balances the village's elevated pension burden with its strong legal and practical ability to raise revenues given its home rule status.

**RATING OUTLOOK**

The stable outlook reflects our expectation that the village's financial position will remain strong given its affluent tax base, strong revenue raising and expenditure reduction flexibility. The outlook also reflects our view that the village's pension burden will remain above average but not materially grow.

**FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING**

- Not applicable

**FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING**

- Further growth in the pension or debt burden
- Material declines in operating reserves or available liquidity

**LEGAL SECURITY**

The Series 2021 bonds are general obligations that are payable from the village's authority to levy an ad valorem property tax for debt service that is unlimited as to both rate and amount.

**USE OF PROCEEDS**

The Series 2021 bonds will fund a variety of capital projects over the next two years including street and bike trail improvements, water infrastructure improvements and renovation of senior housing.

**PROFILE**

The Village of Northbrook is located in Cook County in northeastern Illinois, and is a suburb within the Chicago metro area, approximately 20 miles northwest of the Loop with a stable population of a little over 33,000. The county is the economic and cultural hub of Illinois, and is central to the Chicago metro area, one of the largest metropolitan areas in the U.S. The largest private industry sectors that drive the local economy include finance/insurance, professional/technical services, and health services.

**METHODOLOGY**

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

**REGULATORY DISCLOSURES**

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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