

Research Update:

Shiloh, IL Series 2026 Alternate Revenue Source GO Bonds Assigned 'AA-' Rating; Outlook Stable

June 8, 2026

Overview

- S&P Global Ratings assigned its 'AA-' long-term rating to Shiloh, Illinois' anticipated \$5.855 million series 2026 alternate revenue source general obligation (GO) bonds.
- At the same time, S&P Global Ratings affirmed its 'AA-' issuer credit rating (ICR) on the village and its 'AA-' long-term rating on the village's outstanding debt certificates.
- The outlook is stable.

Rationale

Security

The series 2026 bonds are secured by a pledge of the village's retailers' occupation taxes, service occupation taxes, use taxes, and services use taxes. The bonds are further secured by a pledge of Shiloh's full faith, credit, and resources and by an agreement to levy ad valorem property taxes without limitation as to rate or amount should pledged revenues be insufficient. The village will abate the property tax only to the extent it already has funds set aside to pay the debt service. We base the rating on the unlimited-tax GO pledge.

Proceeds will be used to finance the construction of a new police station.

Credit highlights

The rating reflects our view of Shiloh's growing tax base and easy access to the St Louis metropolitan area, positive financial performance despite elevated capital outlay and growth pressures, sound liquidity and available fund balances, and manageable debt and liabilities profile. Offsetting some of these strengths are the village's less formalized management practices and weaker economic metrics relative to those of higher-rated peers.

Shiloh is located in St. Clair County, approximately 20 miles east of St. Louis and adjacent to Scott Air Force Base (AFB). We note the positive impact of recent development on the tax base. Recent strong sales tax performance is tied to new commercial development, with several new car dealerships opening in the area in 2023. Despite the ongoing population decline at the county level, local population has grown steadily over the past decade. We believe these positive

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demographic trends, as well as the stable employment base bolstered by the village's proximity to Scott AFB, will continue to support steady tax base growth and stable finances going forward.

The rating further reflects our view of the following factors:

- While St. Clair County's gross county product per capita and per capita personal incomes are lower than those of similarly rated peers, Shiloh's incomes are higher on both a median household and per capita basis. We consider the strong incomes relative to the county and national average a positive credit factor in our assessment of the village's local economy.
- The village has a strong record of overall positive financial performance. Although fiscal 2024 ended with a small draw on reserves, this was driven by planned capital outlay for road and street maintenance projects. The village adopted a \$1.3 million deficit budget (15.0% of revenues) in fiscal 2026; unaudited actuals show a surplus of \$541,000 (6.1%), attributable to positive performance on tax revenues and interest income and cost savings on road projects. Management has adopted a \$2.5 million (28.9%) deficit budget for fiscal 2027, largely driven by one-time spending for a street reconstruction project. Although strong sales tax performance has contributed to positive operations in recent years, we note the village's reliance on sales tax revenue (47.5% of revenues in fiscal 2025) as a negative factor given potential volatility of that revenue stream.
- Shiloh adopted a fund balance and reserve policy in March of 2026 that requires the maintenance of at least 33% and no more than 50% of expenditures in unassigned fund balance. Supplementing the spending for capital projects, management plans to commit a portion of excess fund balance for various projects to bring reserves in line with its new policy. Although we expect fund balances will materially decline from current levels, we believe they will remain comparable to those of peers. For more information, see: "[U.S. Local Government Credit Brief: Illinois Municipalities And Counties Means And Medians](#)," Oct. 8, 2025.
- Management practices include conservative budgetary assumptions, with monthly monitoring of budget-to-actual performance and fund balances; a regularly updated long-term capital plan for street projects that identifies estimated costs and funding sources; a formalized investment policy with monthly reporting to the village board on holdings and earnings; and a formalized reserve policy that requires the village maintain 33% and 50% of expenditures in reserve. The village's cyber-security practices align with those of peers.
- The village's debt burden is manageable, in our view, with carrying charges and net direct debt per capita that compare favorably with those of peers. We do not expect debt service carrying charges to increase materially with this issuance. The village has no further near-term debt plans. Funding levels for the village's police pension have improved significantly over the past three years; management is targeting 100% funding by 2040. We expect fixed costs associated with these unfunded liabilities will remain manageable. For more information, see: "[Pension Spotlight: Illinois](#)," March 11, 2026.
- For more information on our institutional framework assessment for Illinois municipalities, see "[Institutional Framework Assessment: Illinois Local Governments](#)," Sept. 10, 2024.

Environmental, social, and governance

We view Shiloh's environmental, social, and governance factors as neutral in our credit analysis.

Outlook

The stable outlook reflects our expectation that the village will maintain balanced-to-positive performance and reserves in line with those of peers despite ongoing capital outlay.

Downside scenario

We could lower the rating if the village were unable to maintain balanced operations due to escalating capital outlay or flagging sales tax revenue, leading to a material deterioration in reserves to levels below what we consider comparable to those of peers.

Upside scenario

We could raise the rating if economic metrics were to improve to levels comparable to those of higher-rated peers, if management were to adopt more robust financial management policies and practices, or if the village were to maintain reserves at levels that we consider commensurate with a higher rating.

Shiloh Village, Illinois--Credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.08
Economy	3.0
Financial performance	2
Reserves and liquidity	1
Management	2.65
Debt and liabilities	1.75

Shiloh Village, Illinois--Key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	74	--	74	75
County PCPI % of U.S.	84	--	84	85
Market value (\$000s)	1,409,058	1,210,614	1,094,904	976,950
Market value per capita (\$)	97,270	83,571	75,584	67,684
Top 10 taxpayers % of taxable value	16.1	--	16.1	--
County unemployment rate (%)	4.0	3.9	4.7	4.7
Local median household EBI % of U.S.	119	--	119	112
Local per capita EBI % of U.S.	111	--	111	109
Local population	14,486	--	14,486	14,434
Financial performance				
Operating fund revenues (\$000s)	--	10,000	9,783	10,799
Operating fund expenditures (\$000s)	--	7,063	9,276	7,265
Net transfers and other adjustments (\$000s)	--	(338)	(712)	(650)
Operating result (\$000s)	--	2,599	(205)	2,884
Operating result % of revenues	--	26.0	(2.1)	26.7
Operating result three-year average %	--	16.9	21.4	26.1

Shiloh Village, Illinois--Key credit metrics

	Most recent	2025	2024	2023
Reserves and liquidity				
Available reserves % of operating revenues	--	101.5	80.7	88.7
Available reserves (\$000s)	--	10,154	7,892	9,584
Debt and liabilities				
Debt service cost % of revenues	--	5.7	5.8	5.2
Net direct debt per capita (\$)	817	669	737	860
Net direct debt (\$000s)	11,838	9,693	10,669	12,411
Direct debt 10-year amortization (%)	57	86	77	--
Pension and OPEB cost % of revenues	--	5.0	6.0	5.0
NPLs per capita (\$)	--	107	136	190
Combined NPLs (\$000s)	--	1,556	1,973	2,739

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$5.855 mil GO bnds (alternate rev source) ser 2026 due 04/01/2046

Long Term Rating AA-/Stable

New Rating

Local Government

Shiloh Village, IL Unlimited Tax General Obligation and Sales Tax AA-/Stable

Ratings Affirmed

Shiloh Village, IL Issuer Credit Rating AA-/Stable

Local Government

Shiloh Vill, IL General Fund Pledge AA-/Stable

Shiloh Vill, IL Unlimited Tax General Obligation AA-/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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Shiloh, IL Series 2026 Alternate Revenue Source GO Bonds Assigned 'AA-' Rating; Outlook Stable

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