S&P Global
Ratings

Research

Research Update:

Glen Ellyn, IL Series 2026 GO Bonds Assigned 'AAA' Rating; Outlook Stable

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Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to the village of Glen Ellyn, Illinois' approximately $8.4 million series 2026 general obligation (GO) bonds.
- At the same, we affirmed our 'AAA' rating on the village's existing GO debt.
- The outlook is stable.

Rationale

Security

The village's series 2026 GO bonds and existing GO debt are payable from ad valorem taxes to be levied against all taxable property in the village without limitation as to rate or amount. Series 2026 debt service will be paid by net revenue of the Glenbard Wastewater Authority, to which the village will loan the bond proceeds to fund various capital projects for the authority's wastewater treatment facilities. Bond provisions include a covered abatement provision, whereby the village may only abate its debt service levy for the series 2026 bonds if sufficient funds have been received to cover debt service payments.

Credit highlights

The 'AAA' rating reflects our view of Glen Ellyn's trend of strong operating performance that has historically supported robust general fund reserves. The village's well-above-average economic characteristics and sophisticated management practices further support the rating.

Located approximately 25 west of downtown Chicago in DuPage County, Glen Ellyn's local economy is characterized by robust economic metrics, steady tax base growth, and new residential development, including a new 42-unit apartment complex. Recent financial performance has been strong, highlighted by the village's $1.9 million general fund surplus (6.4% of general fund revenue) in fiscal 2025 (fiscal-year end Dec. 31). Contributing to this result was the village's better-than-budgeted home rule sales and state sales tax revenue. For fiscal 2026, the village has budgeted for a $3.5 million general fund deficit that it reports it is outperforming, with

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higher revenues than budget to date. Healthy operations have historically supported strong reserves, with the village's available fund balance at fiscal year-end 2025 was approximately $15.3 million, or 50.1% of general fund revenue.

The village's debt profile is characterized by steady annual debt service costs that are expected to remain level with the new borrowing. The village may issue up to $5 million for renovations of its train station, although the specific amount for this borrowing will be determined by the amount of grant funding it receives. Glen Ellyn participates in two pension plans, the well-funded Illinois Municipal Retirement Fund (IMRF) and the more weakly funded Police Pension Plan. The village's elevated police pension liability serves as its main credit weakness. However, we do not view this as an immediate pressure for the village given annual required contributions are fairly low relative to the budget and the village's home-rule revenue flexibility enables it to manage potentially higher costs.

The 'AAA' rating reflects the following credit characteristics of the village:

- Economic metrics that are substantially above national medians, with gross county product per capita and county per capita personal income as a percentage of U.S. rates at 160.1% and 135.2%, respectively. The village benefits from access to the Chicago metropolitan area, as it is located approximately 25 miles west of downtown Chicago.
- Strong financial performance, with nonrecurring expenses associated with capital transfers obscuring an overall positive operating result over the past three years. The village's financial performance is aided by a diverse revenue mix, with sales taxes, property taxes, and income taxes comprising its major revenue streams.
- Robust reserves that have consistently remained above 45% of general fund revenue between fiscals 2022-2025. We anticipate the village will continue to maintain a healthy reserve position during the next few years.
- Manageable debt profile, with stable costs for debt and liabilities with the current issuance, and relatively low net direct debt per capita. The current borrowing is structured with level debt service and we anticipate the village's key debt metrics will remain unchanged in the near term. The village participates in a police pension plan that was 69.8% funded with a $21.1 million net pension liability at the end of fiscal 2025.
- Management practices characterized by detailed preparation of its annual budget, with five years of historical data examined and reference to Illinois Municipal League information. The village prepares a five-year financial forecast for its general fund and has a five-year capital improvement plan, both of which are updated annually. The village also maintains debt, investment, and reserve policies; the reserve policy calls for officials to keep at least 30% of expenditures in reserve in its general fund, and the village is in compliance. Its cybersecurity practices include training exercises for village employees.
- Although physical risks are relevant for the local government sector, we consider Glen Ellyn's exposure to natural hazards, such as extreme weather and flooding, as fairly limited compared with national peers. We note that the village did have an EF-0 tornado touch down within its borders in July 2026, but it did not cause significant damage.
- For more information on our institutional framework assessment for Illinois municipalities, see "Institutional Framework Assessment: Illinois Local Governments," Sept. 10, 2024.

Rating above the sovereign

Glen Ellyn's GO debt is eligible to be rated above the sovereign because we believe the village can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions" (Nov. 19, 2013), U.S. local governments are considered moderately sensitive to country risk. Glen Ellyn has pledged its GO ad valorem unlimited-tax revenue as the sole source of security on the bonds. This severely limits the possibility of negative sovereign intervention in the payment of the debt or in the operations of the village. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy, independent treasury management, and no history of government intervention. Also, Glen Ellyn has very strong financial flexibility, as its very strong reserves and liquidity demonstrate.

Outlook

The stable outlook reflects our view of Glen Ellyn's steady financial performance, robust reserves, and manageable debt profile, credit factors that we do not anticipate will materially change during the two-year outlook horizon.

Downside scenario

Should the village experience a trend of fiscal imbalances leading to a significant weakening of its reserves, the rating could be lowered. In addition, if the village's debt profile were to worsen, a lower rating is possible.

Glen Ellyn Village, Illinois--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.47
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.35
Debt and liabilities	2.00

Glen Ellyn Village, Illinois--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita as % of U.S.	--	--	160	163
County PCPI as % of U.S.	--	--	135	136
Market value ($000s)	6,102,186	5,608,149	5,137,716	4,863,393
Market value per capita ($)	209,438	192,482	176,773	166,680
Top 10 taxpayers as % of taxable value	4.1	--	4.0	3.7
County unemployment rate (%)	3.8	3.9	4.3	3.5
Local median household EBI as % of U.S.	--	134	144	149
Local per capita EBI as % of U.S.	--	148	159	161
Local population	--	29,136	29,064	29,178
Financial performance				
Operating fund revenue ($000s)	--	30,634	29,072	29,048
Operating fund expenditures ($000s)	--	23,944	21,834	21,716

Glen Ellyn Village, Illinois--key credit metrics

Net transfers and other adjustments ($000s)	--	(4,724)	(8,736)	(8,109)
Operating result ($000s)	--	1,966	(1,498)	(777)
Operating result as % of revenue	--	6.4	(5.2)	(2.7)
Operating result three-year average %	--	(0.5)	(1.4)	3.2
Reserves and liquidity				
Available reserves as % of operating revenue	--	50.1	45.7	51.6
Available reserves ($000s)	--	15,346	13,286	14,988
Debt and liabilities				
Debt service cost as % of revenue	--	5.3	5.8	6.1
Net direct debt per capita ($)	1,340	1,051	1,122	979
Net direct debt ($000s)	39,054	30,614	32,618	28,557
Direct debt 10-year amortization (%)	60	76	70	--
Pension and OPEB cost as % of revenue	--	7.3	6.4	6.3
NPLs per capita ($)	--	728	917	929
Combined NPLs ($000s)	--	21,220	26,662	27,119

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$8.440 mil GO bnds (Glen Ellyn Village) ser 2026 due 1/1/2046	
Long Term Rating	AAA/Stable
Ratings Affirmed	
Local Government	
Glen Ellyn Vill, IL Unlimited Tax General Obligation	AAA/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.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.