



## **Rating Action: Moody's Ratings assigns Aa1 to Park Ridge, IL's GO bonds**

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22 May 2025

New York, May 22, 2025 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to the City of Park Ridge, IL's General Obligation Bonds, Series 2025 with an expected par amount of about \$8.5 million. We maintain the city's Aa1 issuer rating and Aa1 rating on outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the city will have just under \$11 million in debt outstanding.

### **RATINGS RATIONALE**

The Aa1 issuer rating reflects the city's growing economic base with resident incomes at 173% of the nation and full value per capita at about \$150,000. The city benefits from home rule authority, which contributes to a strong and stable financial position. Cash was equivalent to 81% of revenue in fiscal 2023. While the city's fiscal 2024 (Dec. 31 year-end) budget originally included a \$4 million planned use of fund balance across governmental funds to draw down reserves that accumulated in recent years, unaudited results show a deficit closer to \$1.5 million. Fiscal 2025 has another modest draw budgeted, but a surplus is likely given the city's track record of conservative budgeting. Following an upcoming sale for capital improvements, the city's long-term liabilities ratio will remain moderate at about 195% of revenue.

The Aa1 GOULT rating is the same as the issuer rating, reflecting the city's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount.

### **RATING OUTLOOK**

We do not assign outlooks to local government issuers with this amount of debt.

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

- Continued strengthening of economic indicators, including full value per capita approaching \$200,000
- Reserves closer to 100%, paired with maintenance of long-term liability ratio under 200% of revenue

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

- Decline in reserves below 40% of revenue
- Long-term liability ratio in excess of 250% of revenue

### **PROFILE**

The City of Park Ridge encompasses approximately seven square miles in Cook County (A1 positive), sixteen miles northwest of Chicago (Baa3 positive). The city provides economic development, public works, public safety, water, sewer, and municipal waste services to over 39,000 residents.

### **METHODOLOGY**

The principal methodology used in this rating was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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