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MOODY'S INVESTORS SERVICE CONFIRMS VILLAGE OF BUFFALO GROVE'S AAA BOND RATING

Moody's cited continued strong financial management and reserves as key factors in maintaining the high rating.

Buffalo Grove, Illinois – Moody's Investor Services recently confirmed the Village of Buffalo Grove's 'Aaa' long-term bond rating, citing its "favorable location and its affluent demographic profile," in addition to strong management and a low debt burden. In a communication from Moody's dated January 26, 2018, the agency stated, "the village closed each of the last five fiscal years with positive operations increasing the operating fund balance to \$24.9 million."

Other factors given were budgetary flexibility and strong liquidity with available cash balances compared to total government fund expenditures, in addition to the low debt burden. Financial management was rated strong, as well as the Village's financial policies and the use of long range planning documents.

Moody's assigned a negative financial outlook underlying the Aaa rating, based upon above average pension liabilities, compared to other municipalities across the U.S. Although Village pension contributions exceeded actuarial determined requirements, pension liabilities continue to grow. The Village consistently meets the actuarial requirements for pension funding; however, the State of Illinois sets benefits for pensions, so the Village cannot make changes to benefits.

"This rating is the result of prudent financial and budgetary management, innovative cost-saving strategies, and a conservative approach to managing debt," said Village President Beverly Sussman. "I credit both staff and the elected board for maintaining this prestigious rating."

President Sussman cited the state's continued economic and budgetary woes as a significant threat to the Village's long-term financial stability, calling on Illinois' elected leaders to develop a viable financial plan for the state.

Buffalo Grove is one of only a handful of communities in Illinois to hold the highest bond rating available from Moody's, representing less than 1-percent of the 1,299 municipalities statewide.

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