

Rating Action: Moody's affirms Aa3 on Lisle-Woodridge Fire Protection District, IL's issuer and GOLT rating

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New York, April 11, 2019 -- Moody's Investors Service has affirmed the Aa3 issuer and general obligation limited tax (GOLT) ratings for Lisle-Woodridge Fire Protection District, IL. We have also removed the negative outlook due to the district's demonstrated ability to post operational surpluses while directing additional funds to pension contributions. While we expect the pension burden to increase, projected pension contribution growth will suppress significant growth in the district's unfunded pension liabilities. The Aa3 issuer rating is used as a reference point for the GOLT rating. This issuer rating is equivalent to the theoretical general obligation unlimited tax (GOULT) rating we would assign to GOULT debt of the issuer. The district does not have any outstanding debt supported by a GOULT pledge. The district has \$4.8 million in GOLT debt, all of which is rated by Moody's.

RATINGS RATIONALE

The district's Aa3 issuer rating reflects the district's elevated unfunded pension liabilities, modest debt burden, large and affluent tax base, and strong and stable financial position. The absence of a distinction between the Aa3 rating on the district's GOLT debt and the district's Aa3 issuer rating is based on the district's all available funds pledge.

RATING OUTLOOK

Outlooks are usually not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Ability to maintain financial strength while making higher pension contributions
- Reduced pension burden

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material tax base contraction or weakened wealth and income indices
- Significantly narrowed fund balance or liquidity
- Substantial growth in the district's debt or pension burdens

LEGAL SECURITY

The district's outstanding Fire Protection Notes are secured by the district's general obligation limited tax pledge to make payments on debt service from any and all available funds, but without the benefit of a dedicated levy.

PROFILE

Lisle-Woodridge Fire Protection District, IL is located in southern DuPage County (Aaa), primarily in the villages of Lisle (Aa1) and Woodridge (Aa1). The district provides fire protection and emergency medical services for a 23 square mile service area containing approximately 70,000 residents.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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