

Research Update:

# Orland Park, IL Series 2025 GO Bonds Assigned 'AA+' Rating; Existing GO Debt Affirmed At 'AA+'; Outlook Stable

October 3, 2025

## Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to [Orland Park](#), Ill.'s anticipated series 2025, \$37.715 million general obligation (GO) bonds.
- At the same time, we affirmed our 'AA+' long-term rating on the village's existing GO bonds.
- The outlooks are stable.

## Rationale

### Security

The GO bonds are secured by the village's full faith and credit unlimited tax GO pledge. The series 2025 bond proceeds will finance various capital improvements throughout the village, water/sewer projects, and tax increment-related projects. Officials expect to issue about \$30 million of additional debt in fiscal years 2026 and 2027 to fund various capital projects.

### Credit highlights

The 'AA+' rating reflects our view of Orland Park's stable economy, strong operating budget, and healthy reserve levels. While we believe its debt and pension liability burden is manageable, it is expanding, and related costs are larger than those of higher-rated peers. Local incomes are favorable and align with those of peers at the current rating level. Long-term rating upside will most likely depend on improving debt and economic measures over time, assuming other credit factors remain equal.

State-shared income and sales taxes, as well as home-rule local sales tax, are important components of Orland Park's revenue stream. Despite the village's reliance on what can be economically sensitive revenue, the budget is positioned to maintain balanced operating performance. Officials are carefully monitoring revenue performance as it prepares for the fiscal

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2026 budget, which we think is prudent, particularly since we believe the national economy is entering a slower growth period and, in our view, this sets the stage for a potential deceleration in revenue growth that could have near- or longer-term implications on credit quality if not met with sustainable budget adjustments. For our latest U.S. economic report, see: "[Economic Outlook U.S. Q4 2025: Below-Trend Growth Persists Amid A Swirl Of Policy Shifts](#)," Sept. 23, 2025.

Fiscal 2025 is on track to outperform the budget, which calls for a \$911,000 surplus before a large \$2 million net transfer out for capital purposes. Although officials plan a modest spenddown of reserves in the near term, we see little downside risk through the two-year outlook horizon because these relate mainly to future capital outlays. In addition, the village recently adjusted both its home rule sales tax and its utility tax rates to absorb future capital and debt-related costs. We expect that management will continually monitor financial performance and adjust as needed to maintain structural balance and reserves in keeping with its 20% fund balance policy.

Credit fundamentals supporting the 'AA+' GO rating include the following:

- Orland Park is in the southwest Cook County suburbs with a significant retail presence. Nearly fully built out, its economic development efforts are oriented toward maintaining a healthy and resilient economic base. Cook County's real gross county product (GCP) per capita and per capita personal incomes exceed national averages. Local incomes are above county and national averages, and comparable with those of peers at the current rating level.
- Healthy operating performance that we expect will continue into fiscal 2026. The village posted a \$4.7 million operating surplus in fiscal 2024, mainly attributable to increased sales tax and income tax revenue, as well as lower overall expenditure. Fiscal 2025 is balanced with a planned use of reserves for capital projects. Its general fund relies mainly on state-shared sales and income taxes (63% of revenue in fiscal 2024) and property and other tax revenue (26% of revenue). We anticipate steady overall financial operations while the village continues to work through its capital projects.
- Financial operations were steady during a period of management turnover, which caused previous delays in financial reporting. With key positions filled, officials indicate financial monitoring and reporting is back on track. Financial policies and procedures include periodically updated long-term forecasting and capital planning, which informs conservative budget assumptions. The board receives monthly financial updates including investment reporting. Orland Park has formal investment, debt, and reserve policies that are regularly reviewed and monitored for compliance. Cybersecurity policies and practices align with those of peers.
- The debt burden is manageable, albeit large, with \$129 million of gross direct GO debt outstanding. A portion relates to water and sewer projects and is paid from net enterprise revenue that we factored into our view of the village's debt burden. We believe the enterprise funds are positioned to continue supporting the debt, since the village regularly adjusts its water and sewer rates to sustainably cover debt and operations. The pension liability is manageable and most relates to the police pension plan, which has a \$47 million net pension liability but is adequately funded at 73%. Orland Park offers limited other postemployment benefits (OPEB) to eligible employees. We believe near-term bonding plans are unlikely to cause a material change in the village's debt profile.
- Home rule powers provide Orland Park with broad revenue and debt raising flexibility. For information on our institutional framework assessment for Illinois municipalities, see: "[Institutional Framework Assessment: Illinois Local Governments](#)," Sept. 10, 2024.

## Environmental, social, and governance

With key management positions filled, we believe governance factors related to transparency and reporting are now neutral. We have reviewed the village's environmental and social factors and consider them neutral within our credit rating analysis.

## Outlook

The stable outlook reflects our expectation that Orland Park will maintain healthy reserves while adjusting the budget as needed to ensure steady performance that can absorb an expanding debt and liabilities burden and related fixed charges.

### Downside scenario

We could lower the rating should the village experience a material decline in operating performance, causing reserve levels to fall below those of comparable peers at the current rating level.

### Upside scenario

Assuming all other credit factors remain equal, we could raise the rating if Orland Park's economic and debt measures improve, resulting in metrics that better align with those of higher-rated peers.

### Orland Park, Illinois--credit summary

<b>Institutional framework (IF)</b>	<b>2</b>
Individual credit profile (ICP)	1.76
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	2.05
Debt and liabilities	2.75

### Orland Park, Illinois--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GCP per capita % of U.S.	124	--	124	125
County PCPI % of U.S.	111	--	111	111
Market value (\$000s)	9,166,500	9,015,732	6,916,218	6,989,340
Market value per capita (\$)	160,810	158,165	119,262	117,539
Top 10 taxpayers % of taxable value	8.5	8.5	11.1	9.7
County unemployment rate (%)	5.3	5.4	4.4	5.0
Local median household EBI % of U.S.	121	121	123	135
Local per capita EBI % of U.S.	116	116	119	129
Local population	57,002	57,002	57,992	59,464
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	61,453	57,934	63,672

## Orland Park, Illinois--key credit metrics

	Most recent	2024	2023	2022
Operating fund expenditures (\$000s)	--	58,318	54,472	53,217
Net transfers and other adjustments (\$000s)	--	1,555	(9,143)	(14,153)
Operating result (\$000s)	--	4,690	(5,681)	(3,698)
Operating result % of revenues	--	7.6	(9.8)	(5.8)
Operating result three-year average %	--	(2.7)	(1.1)	5.1
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	41.5	36.0	41.7
Available reserves (\$000s)	--	25,507	20,863	26,580
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	4.3	5.4	6.6
Net direct debt per capita (\$)	2,260	1,598	1,622	1,446
Net direct debt (\$000s)	128,824	91,109	94,076	85,994
Direct debt 10-year amortization (%)	32	34	32	33
Pension and OPEB cost % of revenues	--	8.0	8.0	8.0
NPLs per capita (\$)	--	1,131	1,108	1,253
Combined NPLs (\$000s)	--	64,443	64,261	74,498

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\$37.715 mil GO bnds ser 2025 due 12/01/2050

Long Term Rating AA+/Stable

## Ratings Affirmed

## Local Government

Orland Pk 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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