



New Issue: CookCnty.H.S.D.208(RiversideBrookfield Twp)IL

MOODY'S ASSIGNS A1 RATING TO COOK COUNTY H.S.D. 208 (RIVERSIDE-BROOKFIELD TOWNSHIP) IL'S \$32.37 MILLION GO SCHOOL BONDS, SERIES 2007B

A1 RATING AFFECTS \$58.87 MILLION OF OUTSTANDING GENERAL OBLIGATION DEBT, INCLUDING CURRENT OFFERING

Municipality
IL

Moody's Rating

ISSUE	RATING
General Obligation School Building Bonds, Series 2007B	A1
Sale Amount	\$32,370,000
Expected Sale Date	10/09/07
Rating Description	General Obligation

Opinion

NEW YORK, Oct 4, 2007 -- Moody's Investors Service has assigned an A1 rating to Cook County High School District Number 208 (Riverside-Brookfield Township), Illinois' \$32.37 million General Obligation School Building Bonds, Series 2007B. The current offering, which is secured by the district's general obligation unlimited tax pledge, will finance extensive renovations and additions to the district's sole high school. The Series 2007B bonds were approved at a March 21, 2006 referendum by approximately 55% of voters and represent a portion of the total authorization. The A1 rating reflects favorable growth trends fueled by property reassessment in the district's relatively sizable tax base; adequate financial operations supported by narrowing reserves; and moderate debt burden with below-average principal retirement.

STEADY GROWTH IN TAXABLE VALUATION EXPECTED TO CONTINUE

The district serves an area of west central Cook County (general obligation debt rated Aa2), approximately 15 miles west of downtown Chicago (Aa3). The district's sizeable tax-base, currently valued at \$2.6 billion, encompasses approximately one-third of the Villages of Riverside (A1) and North Riverside (A1) and a quarter of the Village of Brookfield (A2). The district has experienced strong growth in assessed valuation during reassessment years, although the mature nature of the area leads to very limited new growth, mostly comprised of residential redevelopment and small new retail businesses. Student enrollment has experienced steady growth, averaging 5.8% over the last five years, but is expected to moderate over the near term. Income indices for the district are higher than state levels, with median family and per capita incomes representing 120.5% and 119.3% of state figures, respectively. Full value per capita is healthy at \$89,259. Moody's expects the district to continue to experience moderate reassessment valuation growth going forward.

ADEQUATE FINANCIAL OPERATIONS SUPPORTED BY NARROWING RESERVES

Moody's expects the district's healthy financial operations to continue, despite potential pressures related to moderate enrollment growth, given strong reserve levels and long-term financial planning. The district was able to realize a substantial General Fund operating surplus of approximately \$1.6 million in fiscal 2006, growing the General Fund to \$6 million (or a healthy 28.2% of General Fund revenues). Management attributes this operating surplus to a shift in the timing of property tax payments. The district also enjoys additional liquidity in the form of its Working Cash Fund, which ended fiscal 2006 with a balance of \$855,257. Unaudited figures indicate a draw-down of the General Fund balance to \$3.2 million at the close of fiscal 2007. Officials expect General Fund reserves to continue to narrow through fiscal 2010. The district has begun public discussions about the need for a future increase in the operating funds levy rate, although specific plans have not yet been determined. Moody's notes that given the current trend of narrowing reserves, a future operating levy increase will play an important role in maintaining the district's credit profile.

MANAGEABLE DEBT PROFILE WITH BELOW-AVERAGE PRINCIPAL RETIREMENT

The district's current debt burden is average at 3.8%, with direct debt moderate at 2.2%. Principal

amortization is below average, with 38% of debt retired in ten years, but is in accordance with the useful life of the projects being financed. While the district's debt service extension base of \$1.5 million is leveraged through fiscal 2011, significant margin will become available in fiscal year 2012, giving the district flexibility to borrow without voter approval for any additional maintenance needs. Officials do not anticipate long-term future borrowing, which Moody's believes to be reasonable given the scope of the current project.

KEY STATISTICS

Population (2000 Census): 29,368

2005 full valuation: \$2.6 billion

Full valuation per capita: \$89,258

Per capita income as % of state: 120.5%

Medium family income as % of state: 119.3%

Fiscal 2006 General Fund balance: \$6 million (28.2% of General Fund revenues)

Fiscal 2006 Working Cash balance: \$855,257

Overall debt burden: 3.8% (Direct: 2.2%)

Amortization of principal (ten years): 38%

Post-sale general obligation debt: \$58.87 million

Analysts

Sarah Haradon
Analyst
Public Finance Group
Moody's Investors Service

Shawn O'Leary
Backup Analyst
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

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