



Rating Action: Moody's upgrades Mahomet, IL's Issuer and GO ratings to Aa2

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New York, July 28, 2023 -- Moody's Investors Service has upgraded the village of Mahomet, IL's issuer and general obligation unlimited tax (GOULT) ratings to Aa2 from Aa3. As of April 30, 2022, the village had about \$20 million in outstanding debt.

RATINGS RATIONALE

The upgrade of the issuer rating to Aa2 reflects the village's strong financial performance that have been supported by stable property, income, and sales tax revenues. While the local economy remains limited, Mahomet's recent population and tax base growth is likely to continue given its proximity to University of Illinois (Aa2 stable). The village's long-term liabilities are manageable and slightly lower compared to peers.

The Aa2 rating on the GOULT bonds is at the same level as the village's issuer rating because the village has pledged its full faith, credit, and taxing power for repayment of the bonds.

RATING OUTLOOK

Moody's does not typically assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Expansion and diversification of local economy
- Further bolstering of operating liquidity and reserves

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material declines in reserves and liquidity
- Substantial increase in the village's debt or pension burden

LEGAL SECURITY

The GOULT bonds are ultimately backed by the village's full faith and credit pledge supported by the authority to raise ad valorem property taxes unlimited as to rate or amount.

PROFILE

The Village of Mahomet, IL is located 10 miles northwest of Champaign (Aaa stable) within Champaign County (Aa1) and has a population of about 9,400 residents. The village primarily provides police, recreation, road maintenance, and water and sewer infrastructure.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moody.com/rmc-documents/386953>. Alternatively, please see the Rating

Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

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Umar Farooq
Lead Analyst
REGIONAL_MIDWEST
Moody's Investors Service, Inc.
100 N Riverside Plaza
Suite 2220
Chicago 60606
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Coley Anderson
Additional Contact
REGIONAL_MIDWEST
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376

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