

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns A1 to Broome County, NY's 2025 GO Bonds

07 Apr 2025

New York, April 07, 2025 -- Moody's Ratings (Moody's) has assigned an A1 rating to the County of Broome's (NY) Public Improvement (Serial) Bonds, 2025. The bonds have an expected par value of \$20.6 million. We also maintain an A1 issuer rating and on the county's currently outstanding GO bond (GOLT) debt. After the current sale, the county will have approximately \$225 million of debt outstanding.

RATINGS RATIONALE

The A1 rating assignment reflects the county's economy, which has maintained a stable population that management hopes will expand quicker as a result of a recently strong period of housing development. The housing development combined with moderate commercial growth should prompt an improved economic growth rate that has traditionally lagged the nation.

The rating is also driven by the county's financial profile inclusive of reserve ratios that are consistent with the median for the rating category. The cash ratio remains well below average despite consistent improvement over the last five years. We anticipate that higher than budgeted sales tax revenue will drive fiscal 2024 audited results that will show modest fund balance growth net of one-time capital and ARPA expenditures. The overall fund balance, inclusive of these items will likely reflect a small decline. The county's projection for fiscal 2025 is limited though management expects a small operating surplus. The long-term liabilities ratio (103%) is well below average and a credit strength. The 8% fixed cost ratio is also favorable and has been consistent over the last five years.

We consider the outstanding debt to be GOLT because of limitations under New York State law on property tax levy increases. The lack of distinction between the A1 GOLT rating and the A1 issuer rating reflects the city's ability to override the property tax cap and the faith and credit pledge in support of debt service.

RATING OUTLOOK

Outlooks are not assigned to local government issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained operating balance resulting in higher cash and reserves closer to Aa median
- Economic performance driving expansion and stronger resident income

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Operating deficits that materially weaken cash and reserves below 20%
- Weakened resident income or economic contraction

LEGAL SECURITY

Payment of principal and interest on the county's outstanding general obligation bonds is backed by the county's full faith and credit supported by the county's authority to levy such ad valorem property taxes as may be necessary to pay the bonds, as limited by New York State's legislative cap on property taxes (Chapter 97 (Part A) of the Laws of the State of New York, 2011).

USE OF PROCEEDS

The proceeds of the Bonds, together with \$3,547,230 available funds, will partially redeem and permanently finance a \$24,157,129 portion of the \$113,341,581 bond anticipation notes outstanding that are maturing on April 25, 2025.

PROFILE

The county is located in the central southern portion of upstate New York with the city of Binghamton, NY (A2 stable) as the county seat. The county's estimated population is 198,000.

METHODOLOGY

The principal methodology used in the long term rating was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on

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