

Rating Action: Moody's assigns Aa1 to the Village of Ardsley's GO Bonds

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New York, August 08, 2022 -- Moody's Investors Service has assigned a Aa1 rating to the Village of Ardsley, NY's estimated \$10.3 million Public Improvement (Serial) Bonds, 2022. Moody's currently maintains a Aa1 issuer rating and general obligation limited tax (GOLT) rating. The issuer rating is equivalent to the village's hypothetical general obligation unlimited tax (GOULT) rating; there is no debt associated with the GOULT security. The village will have approximately \$35 million in GOLT bonds post sale.

RATINGS RATIONALE

The Aa1 rating reflects a strong tax base with high resident wealth that benefits from its location in Westchester County (Aa1 stable). Reserves and liquidity continue to be strong. The rating also factors the elevated leverage offset by manageable fixed costs.

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 Aa1 GOLT rating and the Aa1 issuer rating reflects the village's ability to override the property tax cap and the faith and credit pledge in support of debt service.

RATING OUTLOOK

Outlook are not usually assigned to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Significant decline in leverage
- Material growth in the tax base

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Growth in leverage
- Reduction in reserves and liquidity
- Material decline in tax base

LEGAL SECURITY

Payment of principal and interest on the village's general obligation bonds is backed by the village's faith and credit supported by the village'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 bonds will provide financing for various capital projects across the village, the largest of which is for construction of a new highway garage.

PROFILE

The village of Ardsley is located approximately 25 miles north of New York City (Aa2 stable) in the Town of Greenburgh (Aaa stable) in south of Westchester County (Aa1 stable) and accessible by the Metro-North commuter rail. The village has a population of approximately 4,533.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at <https://ratings.moody.com/api/rmc-documents/70015>. Alternatively, please see

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

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 <https://ratings.moodys.com/rating-definitions>.

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