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S&P General Obligation Medians for Municipalities Under the Revised Local GO Criteria: 1Q 2014 Update.

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Standard & Poor's Ratings Services derives the general obligation (GO) municipal medians below from rating reviews completed over the first six months (through March 12, 2014) of usage of its Sept. 12, 2013, GO criteria ([U.S. Local Governments General Obligation Ratings: Methodology And Assumptions](#)).

We present the medians by rating category, and they apply to U.S. municipalities covered under the GO criteria including cities, towns, townships, boroughs, and villages. They exclude special purpose districts such as school districts. We are publishing a separate county GO median report concurrently with this article. We plan to continue updating this article quarterly as we move through the one-year implementation period.

We draw the medians from 1,245 municipality reviews completed through March 12, 2014, of the approximately 3,000 in our portfolio of total ratings for municipalities that fall under the revised GO criteria. We have committed to reviewing all issuers that fall under the new criteria by September 2014.

We calculate the metrics, for which we provide the medians, based on raw data, or in some cases, data we have adjusted (for more information, see the related research articles), and they are only one component of our analysis. The metrics play a part in the quantitative analysis in five factors: economy, budgetary flexibility, budgetary performance, liquidity, and debt and contingent liabilities. Qualitative adjustments within each factor (which the medians do not reflect) also play an important part in the rating outcome.

Download Table

General Obligation Medians For Municipalities Under The Revised Criteria

Rating	No.	MVPC (\$)	%							
			Proj PC EBI	FB/exp	GF op res	TGF op res	TG cash/exp	TG cash/DS	Net DD/rev	TGF DS/exp
AAA	126	158,096	152	30	3	2	55	562	73	8
AA	774	86,775	103	29	3	1	51	532	85	9
A	285	50,247	80	21	1	0	50	439	113	11
BBB and lower	60	47,300	77	0	0	(1)	29	300	108	11

Median Definitions

- MVPC (\$) (total market value per capita): Total value of taxable property within the jurisdiction divided by population.
- Proj PC EBI (%) (projected per capita effective buying income as a % of U.S. projected per capita EBI): Projection of per capita after-tax income measured as a percent of that of the U.S.
- FB/exp (%) (available fund balance as a % of expenditures): This ratio measures all funds available for operations as a percent of general fund expenditures.
- GF op res (%) (general fund net result): This ratio measures fiscal year-end general fund net operating results, as a percent of general fund expenditures.
- TGF op res (%) (total governmental funds net result): This ratio measures fiscal year-end total governmental funds net operating results, as a percent of total governmental funds expenditures.
- TG cash/exp (%) (total government available cash as % of total governmental funds expenditures): This ratio includes all available total government cash (in all funds) and measures it as a % of total governmental funds expenditures.
- TG cash/DS (%) (total government available cash as % of total governmental funds debt service): This ratio includes all available total government cash (in all funds) and measures it as a % of total governmental funds debt service.
- Net DD/rev (%) (net direct debt as % of total governmental funds revenue): This ratio measures the total debt burden on the government's revenue position.
- TGF DS/exp (%) (total governmental funds debt service as a % of total governmental funds expenditures): This ratio measures the annual fixed-cost burden that debt places on a government.

Related Criteria And Research

Related Criteria

USPF Criteria: [Local Government GO Ratings Methodology And Assumptions](#), Sept. 12, 2013

Related Research

[S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency](#), Sept. 12, 2013

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