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S&P U.S. Not-For-Profit Transportation Infrastructure 2023 Medians: Demand And Revenue Growth Improved Financial Medians To Post-Pandemic Highs

Key Takeaways

- U.S. not-for-profit transportation infrastructure enterprise (TIE) financial medians improved in fiscal 2023 across the asset classes given continued revenue and activity growth (passengers, tolled transactions, and tonnage) and a combination of management actions such as increasing rates, fees, and charges and reserves.
- S&P Global Ratings expects that stable-to-improving demand and revenue trends and proactive management practices will continue to mitigate the impact of higher debt for larger issuers and of rising operations-and-maintenance (O&M) costs to support financial medians into fiscal 2024.
- Despite 14% median growth in operating expenses attributable to inflationary pressures combined with higher debt outstanding, virtually all TIE medians improved as S&P Global Ratings-calculated median net revenue available for debt service increased, resulting in improved overall coverage, debt capacity, and cash reserves.
- Improved financial metrics contributed to overwhelmingly positive rating actions with 32 upgrades and one downgrade from Sept. 1, 2023, through Sept. 1, 2024.

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