

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's assigns Aa3 to Jefferson County, TN's \$2.0M GO Bonds, Series 2022 (Bank Qualified)

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24 Jan 2022

New York, January 24, 2022 -- Moody's Investors Service has assigned a Aa3 rating to Jefferson County, TN's \$2.0 million General Obligation Bonds, Series 2022 (Bank Qualified). Moody's maintains a Aa3 rating on the county's outstanding general obligation debt. Post sale the county will have approximately \$59 million in outstanding debt.

#### RATINGS RATIONALE

The Aa3 general obligation unlimited tax (GOULT) rating reflects the county's mid-sized tax base with moderate taxpayer concentration and slightly below average resident wealth and income levels. The rating also takes into account a stable and healthy financial position that has not been significantly impacted by the coronavirus pandemic and average long-term liabilities.

#### RATING OUTLOOK

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

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Material growth in the tax base along with strengthening of wealth indicators
- Sizeable increases in reserves

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Significant contraction in the tax base
- Material declines in reserve levels which limits financial flexibility
- Dramatic increase in debt levels that creates financial pressure

#### LEGAL SECURITY

The Series 2022 bonds are payable from unlimited ad valorem taxes levied on all taxable property within the county. For the prompt payment of principal of and interest on the bonds, the full faith and credit of the county is irrevocably pledged.

#### USE OF PROCEEDS

Proceeds from the Series 2022 bonds will be used to complete the construction of and improvements to the county's nursing home.

#### PROFILE

Jefferson County, TN is located just east of Knox County (Aa1 stable) in eastern Tennessee (Aaa stable). The county's population was 53,679 as of the 2019 American Community Survey.

#### METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moody.com](http://www.moody.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 at: [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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