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SUPERVISOR

**Summary:**  
Vestal, New York; General  
Obligation

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## Summary:

# Vestal, New York; General Obligation

### Credit Profile

#### Vestal GO

*Unenhanced Rating*

AA-(SPUR)/Stable

Upgraded

Many issues are enhanced by bond insurance.

## Rationale

Standard & Poor's Ratings Services raised its rating on the Town of Vestal, N.Y.'s general obligation (GO) debt to 'AA-' from 'A+'. The outlook is stable.

The upgrade reflects the town's continued strong reserve levels. The 'AA-' rating also reflects the town's:

- Diverse employment base with access to the Binghamton metropolitan area;
- Good income levels;
- Very strong overall financial position; and
- Low debt burden.

Vestal (estimated population 27,854) is located in Broome County in upstate New York, bordering the city of Binghamton. The town is primarily residential but does have some commercial and industrial activities. The local economy is diverse, with Binghamton University as the town's largest employer. Residents also have access to other employment opportunities within the Binghamton metropolitan area, which has been fairly stable. The county's unemployment rate averaged 8.2% in 2009, which was below both state and national averages. Wealth levels are good, with the per capita effective buying income at 97% of the nation's average.

Vestal's tax base is very diverse, with the top 10 taxpayers taking up 12.4% of their total assessed value. Since fiscal 2005, total assessed value has grown 4% to \$67.9 million.

Financially, the town is very strong. Fiscal 2008 closed with a total general fund balance of \$5 million, which represented a very strong 30.5% of expenditures. Based on unaudited results, fiscal 2009 saw a slight operating deficit, net of transfers, of about \$571,000. Despite the drawdown, the town still managed to end the fiscal year with a total fund balance of \$4.5 million, or a very strong 24.8% of operating expenditures. The fiscal 2010 general budget is balanced with a \$716,000 fund balance appropriation.

The township's management practices are considered "standard" under Standard & Poor's Financial Management Assessment, indicating that management maintains adequate policies in most, but not all, key areas.

Debt levels are low, with overall net debt representing roughly \$1,449 per capita and just 2.4% of market value. Debt service carrying charge remains low at 4.6% of expenditures.

## **Outlook**

The stable outlook reflects the town's diverse and stable economic base as well as its strong financial position. With limited capital pressures, we anticipate that the town will continue to maintain healthy financial operations and a low debt burden.

## **Related Criteria And Research**

USPF Criteria: GO Debt, Oct. 12, 2006

Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at [www.globalcreditportal.com](http://www.globalcreditportal.com) and RatingsDirect subscribers at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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