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Hampton Township, PA Debt Rating Raised To 'AA-' On Strong Liquidity And Adequate Budgetary Flexibility

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NEW YORK (Standard & Poor's) May 28, 2015--Standard & Poor's Ratings Services has raised its underlying rating on Hampton Township, Pa.'s general obligation debt one notch to 'AA-' from 'A+'. The outlook is stable.

"The upgrade is based on the township's access to a broad and diverse economy coupled with very strong liquidity and adequate budgetary flexibility," said Standard & Poor's credit analyst Danielle Leonardis.

The bonds are secured by the full-faith-and-credit pledge of the township.

The stable outlook reflects our view of Hampton's strong underlying economy with access to the Pittsburgh MSA. The rating is further stabilized by the township's very strong liquidity and debt profile. Despite recent fund balance drawdowns to a level we consider adequate and a weak budget performance in fiscal 2014, we expect the township to return to positive results within the next two years. Should financial performance weaken further, it could put stress on the rating. However, if operating performance improves, while all other factors remain stable, we could raise the rating.

RELATED CRITERIA AND RESEARCH

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013

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Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Pennsylvania Local Governments

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