



Rating Action: Moody's Ratings assigns Aa3 to Hamblen County, TN's \$10 million General Obligation Bonds, Series 2025.

20 Aug 2025

New York, August 20, 2025 -- Moody's Ratings (Moody's) has assigned a Aa3 general obligation unlimited tax (GOULT) rating to Hamblen County, TN's proposed \$10 million General Obligation Bonds, Series 2025. Concurrently, we have affirmed the county's outstanding Aa3 issuer rating and the Aa3 general obligation unlimited tax rating. Post-issuance, the county will have approximately \$154.5 million of debt outstanding.

RATINGS RATIONALE

The Aa3 issuer rating is reflective of the county's large and growing tax base which is contributing to a trend of growing fund balances, while considering the county's somewhat elevated long-term liabilities and below-average median house hold income. In fiscal 2024, the county's available fund balance ratio increased from 51.6% to 58.3%. The main drivers of this increase have been prudent budgeting practices, increases in property tax revenue and increases in revenue from the state of Tennessee. The county, which has an informal fund balance of 20% of expenditures, is expecting to see fund balances to remain relatively stable despite the planned utilization of reserves for minor capital improvements. Long-term liabilities fell below 300% in 2024 for the first time since 2021 and, following the issuance of the Series 2025 bonds, are expected to remain below 300% in the near term as no further debt issuances are planned by the county.

The lack of distinction between the county's issuer rating and the Aa3 rating on the county's GOULT debt is based on the county's general obligation full faith and credit pledge.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Material improvement in property wealth and resident incomes of around 100%
- Significant moderation of long-term liabilities to less than 200% of revenue

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Failure to maintain balanced operations resulting in draws to support operations
- Significant increase in long-term liabilities above 400% of revenue

PROFILE

Hamblen County is located in northeastern Tennessee (Aaa stable). The City of Morristown (Aa3) serves as the county seat and is approximately 40 miles east of Knoxville (Aa1) and 84 miles north of Asheville, NC (Aaa). The county's population as of the 2024 American Community Survey was 64,930.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in July 2024 and available at <https://ratings.moody's.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody's.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 on <https://ratings.moodys.com/rating-definitions>.

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James Murphy
Lead Analyst

Orlie Prince
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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