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INVESTORS SERVICE

Rating Action: Moody's upgrades Tuckahoe, NY's GO rating to A2; assigns positive outlook

Global Credit Research - 28 Feb 2018

The action affects \$6 million in outstanding GOLT debt

New York, February 28, 2018 -- Moody's Investors Service has upgraded the rating on the Village of Tuckahoe, NY's general obligation debt and issuer rating to A2 from A3. The outlook is positive.

RATINGS RATIONALE

The upgrade to A2 from A3 reflects the village's improving financial position, sound reserves and liquidity, growing tax base favorably located 15 miles north of New York City, and manageable fixed costs. The rating also incorporates historical pressure from tax appeals and reserves that remain narrow for the rating category.

RATING OUTLOOK

The outlook reflects the positive trends in the village's financial position and the likelihood that it will strengthen over the next several fiscal years.

FACTORS THAT COULD LEAD TO AN UPGRADE

- A trend of operating surpluses, leading to material growth in liquidity and reserves
- Continued tax base expansion
- Reduced pressure from tax appeals

FACTORS THAT COULD LEAD TO A DOWNGRADE

- A trend of operating deficits, leading to declines in liquidity and reserves
- Tax base contraction
- Greater than expected pressure from tax appeals

LEGAL SECURITY

All of the village's bonds are secured by the village's general obligation pledge as limited by the Property Tax Cap-Legislation (Chapter 97 (Part A) of the Laws of the State of New York, 2011).

PROFILE

The Village of Tuckahoe is in the Town of Eastchester in Westchester County, 15 miles north of Manhattan. The population was 6,586 as of 2015.

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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