



## **Rating Action: Moody's Ratings affirms Collin County, TX's Aaa; assigns MIG 1 to notes; outlook stable**

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20 Jun 2025

New York, June 20, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Collin County, TX's Limited Tax Permanent Improvement and Refunding Bonds, Series 2025 with an approximate par amount of \$232.7 million and a MIG 1 rating to county's Tax Notes, Series 2025 with an approximate par amount of \$8 million. We have affirmed the county's Aaa issuer rating and other debt ratings. Including the current offerings, the county will have approximately \$997 million in total debt outstanding. The outlook is stable.

### **RATINGS RATIONALE**

The Aaa issuer rating reflects the county's very large, dynamic and rapidly expanding economy supported by the presence of several large national and regional corporate headquarters, which is fueling population growth. The county benefits from a strong resident income ratio of 145% and exceptional full value per capita of \$225,000. The county's fiscal management is very conservative, evidenced by a long-term trend of maintaining operating reserves well in excess of 35% of revenue; fiscal 2024 available fund balance remained steady at 49% of revenue. The county's leverage, while above Aaa medians at 246% of revenue, remains manageable given strong operating revenue growth.

The Aaa rating on the county's GOULT bonds is at the same level as the issuer rating, reflecting the unlimited property tax pledge to pay debt service.

The Aaa rating on the county's GOLT bonds is at the same level as the issuer rating, reflecting the ample taxing headroom.

The MIG 1 rating reflects the county's strong underlying credit quality, as evidenced by the Aaa issuer rating, and established history of market access.

### **RATING OUTLOOK**

The stable outlook reflects the likelihood of continued economic expansion that will support operating revenue growth and maintain the county's strong operating reserves and manageable leverage profile. These factors, coupled with the county's conservative budgeting and operating practices provide a strong foundation for a stable operating profile over the longer term.

### **FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS**

- Not applicable

### **FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS**

- Increased leverage ratio that surpasses 350%
- Erosion of operating reserves below 35% of revenue

### **PROFILE**

Collin County is located directly north of Dallas County, with multiple employment centers in

cities including McKinney, Plano, and Frisco. As of 2023, the county's population is estimated at 1.1 million residents.

## METHODOLOGY

The principal methodology used in issuer and long-term ratings was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. The principal methodology used in the short-term rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

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