



# STANDARD & POOR'S RATINGS SERVICES

## McGRAW HILL FINANCIAL

### Delaware's Series 2016A And B General Obligation Bonds Rated 'AAA'; Other Ratings Affirmed

12-Feb-2016 10:14 EST

[View Analyst Contact Information](#)

NEW YORK (Standard & Poor's) Feb. 12, 2016--Standard & Poor's Ratings Services has assigned its 'AAA' rating, and stable outlook, to Delaware's general obligation (GO) bonds, series 2016A and 2016B. At the same time, Standard & Poor's affirmed its 'AAA' rating, with a stable outlook, on Delaware's GO debt outstanding and its 'AA+' long-term rating, and stable outlook, on the state's appropriation debt outstanding.

The rating reflects what we view as the state's:

Relatively diverse economy, which continues to expand at a modest pace and in line with national trends;

Strong financial and budget management;

Consistently strong general fund reserves and liquidity even during recessionary periods;

Moderate overall debt burden, with what we consider strong debt management policies in place; and

Well-funded pension system and progress in addressing other postemployment benefits liabilities, which are significant.

The 2016A and 2016B bonds are secured by the general obligation of the state and its full faith and credit pledge. We understand that 2016A bond proceeds will be used to fund various capital facilities and that the series 2016B (alternative minimum tax)bonds will be used to fund Port of Wilmington projects.

"The stable outlook reflects what we view as the state's healthy reserve and liquidity position, which has been relatively stable over a range of economic cycles," said Standard & Poor's credit analyst Eden Perry.

Proactive budget management has been a key to Delaware's credit stability and we believe that this will be an important consideration over our two-year outlook horizon, given the forecasted modest pace of economic recovery and spending pressures in key program areas of education and health care. Although not likely, if the state's reserve position was to decline precipitously this could put downward pressure on the rating.

#### RELATED CRITERIA AND RESEARCH

##### Related Criteria

USPF Criteria: [Assigning Issue Credit Ratings Of Operating Entities](#), May 20, 2015

Criteria: [Use of CreditWatch And Outlooks](#), Sept. 14, 2009

USPF Criteria: [Debt Statement Analysis](#), Aug. 22, 2006

USPF Criteria: [Financial Management Assessment](#), June 27, 2006

USPF Criteria: [Appropriation-Backed Obligations](#), June 13, 2007

[Ratings Above The Sovereign: Corporate And Government Ratings-Methodology And Assumptions](#), Nov. 19, 2013

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com) and at [www.spcapitaliq.com](http://www.spcapitaliq.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.

Primary Credit Analyst: Eden P Perry, New York (1) 212-438-0613;  
<mailto:eden.perry@standardandpoors.com>

Secondary Contact: Sussan S Corson, New York (1) 212-438-2014;  
<mailto:sussan.corson@standardandpoors.com>

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, <http://www.standardandpoors.com/> (free of charge), and <http://www.ratingsdirect.com/> and <http://www.globalcreditportal.com/> (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to:

[mailto:research\\_request@standardandpoors.com](mailto:research_request@standardandpoors.com)

[Legal Disclaimers](#)

[Careers at S&P Ratings Services](#)

[Terms of Use](#)

[Privacy and Cookie Notice](#)

Copyright © 2016 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

Reproduction and distribution of this information in any form is prohibited except with the prior written permission of Standard & Poor's. Standard & Poor's does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information. STANDARD & POOR'S GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. STANDARD & POOR'S shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of this information, including ratings. Standard & Poor's ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Please read our complete disclaimer [here](#)