

# RatingsDirect®

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## Summary:

## Ohio; Note

### Primary Credit Analyst:

Rob M Marker, Englewood + 1 (303) 721 4264; Rob.Marker@spglobal.com

### Secondary Contact:

Oscar Padilla, Dallas + 1 (214) 871 1405; oscar.padilla@spglobal.com

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## Summary:

# Ohio; Note

### Credit Profile

Uhrichsville recreational facs imp (GO ltd tax) BANs (Ohio Market Access Program) ser 2023 dtd 06/07/2023 due 06/06/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Youngstown (GO ltd tax) bnd antic nts (tax-exempt) (Ohio Market Access Program) ser 2023 dtd 07/06/2023 due 07/03/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed

### Credit Highlights

- S&P Global Ratings affirmed its 'SP-1+' short-term rating on ratings linked to the State of Ohio Market Access Program (OMAP).

### Security

We base our ratings on the standby note purchase agreement (SNPA) among the loan participants, the state treasurer, and the paying agent, whereby the treasurer agrees to purchase the notes at maturity. We apply our "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" criteria (published Nov. 20, 2019), because we are ultimately looking at the state's cash flow to pay the notes at maturity, pursuant to the terms of the agreement and the statutory authorization of Ohio to purchase local government obligations. We also apply our BANs criteria, reflecting the notes' structure.

The BANs are each secured by certain revenues of the loan participants, but we base our rating on the SNPA. The state treasurer agrees to purchase these notes in accordance with procedures outlined in the SNPA if the issuer does not provide the paying agent with sufficient funds to pay before the maturity date. The SNPA's execution is performed under what the treasurer refers to as the OMAP-Note Wrap.

### Credit overview

The SNPA identifies the state's liquidity fund as the source of funds for the purchase of renewal or unpaid notes. As of April 30, 2024, the discounted market value of assets in the state treasurer's liquidity fund was approximately \$5.4 billion (S&P Global Ratings-calculated), of which \$5 billion could be accessed with same-day notice, providing Ohio with financial flexibility to manage challenges should they arise. Ohio's very strong liquidity management also mitigates potential downside risks. However, we continue to actively assess the trajectory of economic and revenue conditions on the state's financial health and available liquidity. Maximum program authorization was increased to \$750 million from \$300 million in October 2023, and although we understand growth will likely be gradual, we expect that available liquidity will continue to cover the program at full authorization. The treasurer has allocated \$750 million of liquidity to be available for notes sponsored by the OMAP and, in our view, the treasurer's self-liquidity fund remains sufficiently capitalized to support the program.

## Environmental, social, and governance

In our view, environmental, social, and governance (ESG) factors reflect those of the State of Ohio.

For more information on the state's general credit characteristics and ESG factors, see our full analysis on Ohio, published Dec. 8, 2023, on RatingsDirect.

## OMAP-Note Wrap

The rating on the BANs reflects the Ohio treasurer's pledge to provide funds sufficient to make payment on notes issued under the program. For each issuance, the treasurer will execute an SNPA with the issuing program participant and the paying agent whereby the treasurer agrees to purchase either a renewal note or the unpaid note, in accordance with the SNPA, if the program participant does not provide sufficient funds to make the payment. Furthermore, the treasurer agrees to purchase an amount sufficient to make the guaranteed note payment at the maturity date.

In our view, the provisions included in the SNPA regarding the treasurer's purchase of renewal or unpaid notes would provide sufficient time for the debt service on guaranteed notes to be made before default. Thirty days before maturity, the paying agent must notify the state treasurer and the issuer that the issuer must deposit sufficient funds for full payment with the paying agent or deliver a renewal certificate. Five days before maturity, the paying agent must notify the state treasurer and the issuer if the issuer has failed to deposit sufficient funds for full payment or failed to deliver a renewal certificate. At least one business day before maturity, the treasurer will transfer funds to the paying agent to hold in a segregated escrow fund. On the maturity date, if the issuer has not deposited sufficient funds by 9 a.m., the paying agent will notify the state treasurer and issuer and apply the escrow funds to purchase the unpaid note. To date, the state reports that it has not needed to purchase an unpaid note.

In our opinion, the liquidity fund--a government investment pool consisting primarily of state operating funds--is central to the state's operations. The fund also provides self-liquidity for the state's variable-rate demand obligation (VRDO) that, as of April 30, 2024, totaled \$529.7 million, which we consider sizable, and that we incorporate into our view of liquidity within the state treasurer's self-liquidity fund. In our opinion, there are no unusual political, timing, or administrative risks related to debt payments under these VRDO structures. We will continue to monitor proposals that could expand use of the treasury's liquidity fund to serve as a VRDO liquidity provider and will consider any material effect that future liquidity commitments could have on the credit quality of OMAP note obligations.

The program will guarantee BANs with a term of one year or less and is limited to a maximum guaranteed amount of \$750 million at any one time. Based on the maximum amount of issuance under the OMAP and all variable-rate demand bonds (VRDBs) outstanding that identify the liquidity fund as a source of self-liquidity, as of April 30, 2024, the fund provided 4.2 times coverage. However, we expect that the amount issued under the OMAP will remain below the maximum amount, resulting in actual coverage that is higher. The program currently has approximately \$207 million outstanding; based on the state's discounted liquid assets as of April 30, 2024, the treasury's self-liquidity fund provides 7.3 times coverage (including the VRDBs), which we consider very strong.

S&P Global Ratings' Fund Ratings and Evaluations Group regularly monitors the credit quality, liquidity, and sufficiency of the treasurer-pledged assets. House Bill 225 of the 129th General Assembly amended section 135.143 of

the Ohio Revised Code to allow the state treasurer to invest in the short-term obligations of counties, cities, villages, townships, and school districts.

In addition to entering the SNPA with the state treasurer and the paying agent, program participants must complete an application and provide financial statements and other information to the state treasurer.

## Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of June 4, 2024)		
American Municipal Power Inc. electric sys improvment BANS (Village Of Monroeville Project) ser 2024 dtd 04/18/2024 due 04/17/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Anderson Township Park District pk dist imp (GO - unlted tax) BANS ser 2024 dtd 02/14/2024 due 02/13/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Elyria various purp (GO ltd tax) BANS (Ohio Market Access Program) ser 2023 dtd 06/27/2023 due 03/21/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Elyria var purp (GO ltd tax) BANS ser 2024 dtd 06/26/2024 due 06/26/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Fairborn various purp (GO ltd tax) BANS ser 2023B dtd 08/29/2023 due 08/28/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Fairborn various purp (GO ltd tax) BANS ser 2024A dtd 02/22/2024 due 02/21/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Forest Park various purp (GO ltd tax) BANS (taxable) ser 2024 dtd 05/22/2024 due 05/21/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Forest Park various purp (GO ltd tax) BANS (tax-exempt) ser 2024 dtd 05/22/2024 due 05/21/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Gahanna cap facs BANS ser 2023 dtd 5//20/10/2 due 10/24/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Garfield Heights various purp imp (GO ltd tax) BANS ser 2024 dtd 06/13/2024 due 06/12/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Granville Village real estate acquisition (GO ltd tax) BANS ser 2023 dtd 12/03/2023 due 12/02/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Granville Village svc dept complex (GO ltd tax) BANS, 5th renewal ser 2023 dtd 10/03/2023 due 10/02/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Hamilton Various purpose (GO ltd tax) BANS		
<i>Short Term Rating</i>	SP-1+	Affirmed
Kirtland various purp (GO ltd tax) BANS ser 2024 dtd 04/17/2024 due 04/17/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed

## Ratings Detail (As Of June 4, 2024) (cont.)

Louisville safety svc imp (GO ltd tax) BANs ser 2024 dtd 06/25/2024 due 06/25/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Middletown various purp (GO ltd tax) BANs ser 2023 dtd 12/12/2023 due 12/19/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
North Olmsted various purp imp (GO ltd tax) ser 2024 dtd 06/25/2024 due 06/25/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Oakwood Village (Cuyahoga County) various purp (GO ltd tax) BANs ser 2023 dtd 09/13/2023 due 09/12/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Oakwood Village (Cuyahoga County) various purp (GO ltd tax) BANs ser 2024 dtd 06/12/2024 due 06/12/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Parma Heights various purp (GO ltd tax) BANs ser 2024 dtd 05/15/2024 due 05/15/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Springfield various purp (GO ltd tax) BANs ser 2024 dtd 04/02/2024 due 03/27/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Trumbull County various purp (GO ltd tax) BANs ser 2024 dtd 03/14/2024 due 03/13/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Uhrichsville recre facs imp (GO ltd tax) BANs ser 2024 dtd 06/05/2024 due 02/27/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Vandalia var purp (go ltd tax) BANS ser 2023 dtd 08/22/2023 due 08/22/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
Walton Hills Village various purp (GO ltd tax) BANS ser 2023 dtd 11/15/2023 due 11/14/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
West Carrollton var purp go ltd tax bans (West Carrollton) ser 2024 dtd 05/01/2024 due 05/01/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
Yellow Springs Exempted Village School District sch facs (gen unltd tax) BANs ser 2023 dtd 12/27/2023 due 06/12/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
<b>American Municipal Power Inc., Ohio</b>		
Carey Village, Ohio		
American Municipal Power Inc. (Carey Village) elec sys imp BANs (Carey Village) (Carey Vill Proj) ser 2023 dtd 11/29/2023 due 11/28/2024		
<i>Short Term Rating</i>	SP-1+	Affirmed
<b>American Municipal Power Inc., Ohio</b>		
Grafton Vill, Ohio		
American Municipal Power Inc. (Grafton Vill) elec sys imp BANs (Grafton Village) (Village Of Grafton Proj) ser 2024 dtd 04/11/2024 due 04/10/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed
<b>American Municipal Power Inc., Ohio</b>		
Holiday City Village, Ohio		
American Municipal Power Inc. (Holiday City Village) elec sys imp BANs (Holiday City Village) ser 2024 dtd 04/25/2024 due 04/24/2025		
<i>Short Term Rating</i>	SP-1+	Affirmed

## Ratings Detail (As Of June 4, 2024) (cont.)

**American Municipal Power Inc., Ohio**

Jackson Center Village, Ohio

American Municipal Power Inc. (Jackson Ctr Vill) elec sys imp BANS ser 2023 dtd 08/10/2023 due 08/10/2024

<i>Short Term Rating</i>	SP-1+	Affirmed
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**American Municipal Power Inc., Ohio**

Pemberville Village, Ohio

American Municipal Power Inc. (Pemberville Village) elec sys imp BANS (Pemberville Village) (Village Of Pemberville Proj) ser 2023 dtd 06/29/2023 due

<i>Short Term Rating</i>	SP-1+	Affirmed
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**American Municipal Power Inc., Ohio**

Pioneer Village, Ohio

American Municipal Power Inc. (Pioneer Village) elec sys imp rev BANS (Pioneer Village) (Pioneer Vill Proj) ser 2023 dtd 11/30/2023 due 11/29/2024

<i>Short Term Rating</i>	SP-1+	Affirmed
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**American Municipal Power Inc., Ohio**

Sycamore Village, Ohio

American Municipal Power Inc. (Sycamore Village) elec sys imp BANS (Sycamore Village) (Sycamore Village Proj) ser 2023 dtd 10/26/2023 due 10/24/2024

<i>Short Term Rating</i>	SP-1+	Affirmed
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**American Municipal Power Inc., Ohio**

Wapakoneta, Ohio

American Municipal Power Inc. (Wapakoneta) electric sys imp BANS (City of Wapakoneta) ser 2023 dtd 06/22/2023 due 06/01/2024

<i>Short Term Rating</i>	SP-1+	Affirmed
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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.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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