

MOODY'S

RATINGS

Rating Action: Moody's Ratings confirms New Castle Fire District No. 1, NY's Aa1 issuer and GO ratings, RUR outlook removed

13 Feb 2026

New York, February 13, 2026 -- Moody's Ratings (Moody's) has confirmed New Castle Fire District No.1, NY's Aa1 issuer and general obligation limited tax (GOLT) bond ratings. This action concludes a review for possible downgrade that was initiated on December 9th, 2025, in conjunction with the release of the US Special Purpose Districts methodology. The district has approximately \$16.9 million in general obligation debt outstanding as of fiscal 2025.

RATINGS RATIONALE

The Aa1 issuer rating reflects New Castle Fire District No. 1's affluent service area, which primarily covers the Town of New Castle (Aaa) as well as a smaller portion of the Town of Mount Pleasant (Aa2). The area is primarily residential, characterized by exceptionally strong resident income at approximately 280% of the national median, and high home values that bolster property tax receipts, the district's main source of revenue at 70% of fiscal 2024 revenues. As a result, financial operations remain stable, with the district continuing to generate annual operating surpluses, funding ample reserves set aside for its ongoing capital and equipment needs. Including funds restricted for capital, the district's reserves and liquidity each amounted to approximately 225% of fiscal 2024 revenues. Management also reports preliminary fiscal 2025 results to be stable and in line with the budget.

The rating also accounts for the district's above-average long-term liabilities, projected to be approximately 567% of budgeted revenues in fiscal 2026, following a recent issuance to fund various construction and renovations to district's offices and firehouse in 2024. However, its debt burden is exaggerated by its very low operating costs that reflect its volunteer workforce and is considered to be manageable, given the area's affluence, stability in the district's wealthy tax base, and the absence of any additional debt plans at this time.

The lack of distinction between the Aa1 GOLT rating and the Aa1 issuer rating reflects the district's ability to override the property tax cap and the faith and credit pledge in support of the debt service.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Significant revenue growth

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Contraction of local economy leading to significant declines in resident income and wealth
- Structurally imbalanced operations leading to declines in available reserves and liquidity sustained below 35% of revenues
- Any material increase in leverage

PROFILE

New Castle Fire District No. 1 is located in central Westchester County (Aa1 positive) approximately 40 miles

north of New York City (Aa2 stable). The district's response area includes properties in the towns of New Castle (Aaa) and Mt. Pleasant (Aa2).

METHODOLOGY

The principal methodology used in these ratings was US Special Purpose Districts published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455982>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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