



**...the City's credit rating was A3.  
We've managed to boost our credit  
rating to A1 with the help of  
Synopsis.**

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Muhammed Owusu, Finance Director  
THE CITY OF COVINGTON, KY



**Synopsis**  
powered by  Synario

# THE CITY OF COVINGTON STORY

## A SYNOPSIS SOFTWARE TESTIMONIAL

When Muhammed Owusu began his new position as the City of Covington's (the City or Covington) Finance Director, he knew he needed a sophisticated planning tool. The City was looking to improve its municipal credit rating, but in order to do so, multi-year forecasting had to become a priority. For Owusu, Synario was a critical component in enabling the City to meet both its financial goals and the rating agencies' expectations.

As Owusu explains, rating agencies focus heavily on the capabilities of the management team when considering upgrades to credit ratings. One of the ways to determine this is for rating agencies to assess the data intelligence that cities are using to manage resources and inform decision-making. For Owusu, Synario was the tool that helped the City tell its financial story to the rating agencies by visually demonstrating efforts to improve investment, debt management and financial reporting policies.

With Synario, Owusu and his team managed to provide accurate data to the rating agencies during a time of economic upheaval, further cementing its importance. As he explains, Covington gave a presentation to Moody's shortly before the coronavirus pandemic swept across the U.S., and during a follow-up the rating agency subsequently asked Owusu about

budget flexibility. Using Synario, Owusu was able to demonstrate that the City's main sources of revenue, which include payroll taxes, net profits and insurance premiums, were unlikely to be impacted by COVID-19. This was despite other Kentucky cities predicting a 25% reduction in revenue over the summer months, with a 20% loss for the year. Owusu was able to illustrate to Moody's

“We got to the point where Excel was not enough anymore.”

that because of the City's unique revenue streams, a substantial decline in revenue due to the pandemic was very unlikely, and the data generated by Synario supported this assertion. According to him, “the City most likely would not have boosted its credit rating to A1, especially during a pandemic, without this data.” Further, Moody's acknowledges that

the City's use of Synario played a role in the rating agency's revised credit opinion, mentioning the “recently developed five-year budget forecast” as a reason for strong and improved financial operations and reserves.

With tremendous economic uncertainty facing many municipalities across the U.S., utilizing a planning tool like Synario to assess future projections is paramount. For Owusu, Excel did not have the capabilities to perform sophisticated analysis, particularly during times of fluctuating conditions. As he states, “I got to the point where Excel wasn't enough.” He also explains the time savings benefit of Synario by contrasting it with Excel, which he says took days to analyze data.

Due to Synario, Owusu argues that he is able to produce long-range forecasts that rival the sophistication of those compiled by large cities. With a much smaller budget, Owusu does not have

access to the resources afforded to large urban areas – including economists and financial planners. For him, however, Synario negates the need for specialists, as he is able to evaluate both the City's current conditions and future projections with incredible accuracy.