

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aaa to Farmington, CT's \$4.4M GO Bonds

25 Apr 2019

New York, April 25, 2019 -- Moody's Investors Service has assigned a Aaa rating to the Town of Farmington, Connecticut's \$4.4 million General Obligation Bonds, Issue of 2019. Concurrently, Moody's maintains its Aaa rating on approximately \$29 million of outstanding GO bonds outstanding. The outlook is stable.

RATINGS RATIONALE

The Aaa rating reflects the town's sizeable and affluent tax base, stable operating profile and adequate, but below average reserve position, and manageable longterm liabilities.

RATING OUTLOOK

The stable outlook reflects our expectation that the town will maintain balanced operations supporting its stable reserve position through the outlook period.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material increase in in debt burden
- Decline in reserve position
- Contraction of tax base and/or weakening of income indicators
- Growth of general fund support for golf fund

LEGAL SECURITY

The bonds are secured by the town's general obligation unlimited tax pledge.

USE OF PROCEEDS

A portion of the bond proceeds will be used for school renovation projects. The balance of the bonds will be used for town improvements to local roads, for the acquisition of open space, and to acquire a fire truck.

PROFILE

Farmington is a residential suburb located in Hartford County. Its estimated population is 25,596 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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