

Rating Action: Moody's assigns Aaa to Concord MA's GO Bonds

04 Jun 2018

New York, June 04, 2018 -- Moody's Investors Service has assigned a Aaa rating to the Town of Concord Massachusetts' \$6.7 million General Obligation Municipal Purpose Loan of 2018 Bonds. Concurrently, we maintain the Aaa rating on the town's outstanding general obligation bonds.

RATINGS RATIONALE

The Aaa rating reflects a healthy financial position supported by strong reserves, an affluent tax base, below average debt burden, and well-managed pension and OPEB liabilities.

RATING OUTLOOK

The stable outlook reflects our expectation that the town will continue to exercise sound fiscal management including multi-year forecasting and effective policies. The outlook also incorporates continuing voter support when needed to approved debt exclusions and general overrides to Proposition 2.5.

FACTORS THAT COULD LEAD TO AN UPGRADE

Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Lack of voter support for large operating and capital needs
- Erosion of reserves due to a trend of operating deficits
- Significant decline in the tax base and demographic profile

LEGAL SECURITY

The bonds are secured by the town's general obligation limited tax pledge as not all debt service is excluded from the property tax limits of Proposition 2.5.

USE OF PROCEEDS

Proceeds will fund various capital projects of the town.

PROFILE

Concord is primarily a residential community with a population of 17,668 and located west of Boston.

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.

REGULATORY DISCLOSURES

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