

**Rating Action: Moody's assigns Aaa to Madison, CT's GO Bonds; outlook stable**

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14 May 2021

New York, May 14, 2021 -- Moody's Investors Service has assigned a Aaa rating to the Town of Madison, CT's \$3.4 million General Obligation Refunding Bonds, Issue of 2021. Moody's maintains a Aaa rating on the town's outstanding debt, approximately \$22 million. The outlook is stable.

**RATINGS RATIONALE**

The Aaa rating reflects the town's large tax base with very strong income and wealth levels and sound financial position largely supported by property tax revenues. The rating also incorporates low long-term liabilities and fixed costs.

**RATING OUTLOOK**

The stable outlook reflects the expectation that the town's financial position will remain sound given formal policies, conservative budgeting practices and reliance on stable property tax revenues.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- N/A

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Tax base deterioration
- Trend of structural imbalance leading to narrowed reserves and/or liquidity
- Significant increase in debt or capital needs

**LEGAL SECURITY**

The GO bonds are payable from the town's unlimited ad valorem tax pledge.

**USE OF PROCEEDS**

Bond proceeds will be used to refund portions of the town's 2012 GO bonds with no extension of maturity for an estimated net present value savings equal to 3.4% of refunded principal.

**PROFILE**

Madison is located 20 miles east of New Haven on Long Island Sound. The town has approximately 18,100 residents.

**METHODOLOGY**

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

**REGULATORY DISCLOSURES**

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