



Rating Action: Moody's assigns Aa1 to Township of Lower Makefield, PA's General Obligation Bonds, Series of 2018

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New York, May 01, 2018 -- Moody's Investors Service has assigned a Aa1 to Township of Lower Makefield, PA's \$9.875 million General Obligation Bonds, Series of 2018. Moody's maintains a Aa1 on the township's outstanding parity general obligation debt.

RATINGS RATIONALE

The township's Aa1 rating reflects its sizeable tax base, strong financial position, and modest debt burden.

RATING OUTLOOK

Outlooks are not typically assigned to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Continued growth and stability in fund balance and cash reserves
- Continued moderate growth in tax base

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material decline in reserves and liquidity
- Significant decline in the tax base
- Material increase in debt burden

LEGAL SECURITY

The township's General Obligation Bonds, Series of 2018 are secured by its general obligation unlimited tax pledge.

USE OF PROCEEDS

Proceeds from the issuance of the Series of 2018 bonds will be used to refund the township's outstanding Series of 2002 A & B and Series of 2004 bonds, which are currently variable rate obligations, in order to eliminate all variable rate debt from its total debt burden.

PROFILE

Lower Makefield Township is primarily residential and is located in the southeastern portion of Bucks County (Aaa negative), covering an area of 17 square miles.

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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