

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aa2 to Warrington Township, PA's GO Bonds, Ser. 2019

20 Mar 2019

New York, March 20, 2019 -- Moody's Investors Service has assigned a Aa2 rating to Warrington Township (Bucks County), Pennsylvania's \$9.9 million General Obligation (GO) Bonds, Series of 2019. Concurrently, Moody's has affirmed the Aa2 rating on the township's outstanding general obligation unlimited tax (GOULT) debt.

RATINGS RATIONALE

The Aa2 rating reflects the township's moderately-sized and growing tax base which is characterized by above-average resident wealth and incomes and its financial position with improved fund balance and recently narrowed cash position. Additionally, the rating reflects the township's debt burden which is slightly above-average yet manageable, average pension liabilities and somewhat elevated fixed costs.

RATING OUTLOOK

Moody's generally does not assign outlooks to local government issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Material increase in reserve levels and liquidity
- Continued, above-average growth in the tax base

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Failure to maintain balanced operations resulting in material draws on reserves
- Continued declines in the township's narrowed cash position
- Contraction of the tax base and deterioration of resident wealth and income levels

LEGAL SECURITY

The GO Bonds, Series of 2019 are secured by Warrington Township's full faith credit and unlimited taxing power.

USE OF PROCEEDS

Proceeds from the sale of the GO Bonds, Series of 2019 will be used to finance various capital projects throughout the township.

PROFILE

Warrington Township is located in the central portion of Bucks County, approximately 20 miles north of the City of Philadelphia. The township encompasses approximately 13.5 square miles and has a population of approximately 23,920.

METHODOLOGY

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

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain

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