

**Rating Action: Moody's upgrades Templeton, MA GOs to Aa3**

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28 Jan 2020

New York, January 28, 2020 -- Moody's Investors Service has upgraded to Aa3 from A1 the rating of the town of Templeton, Massachusetts's outstanding general obligation unlimited tax (GOULT) bonds. Additionally, Moody's assigns a Aa3 rating to the town's \$9 million General Obligation Municipal Purpose Loan of 2020 Bonds.

**RATINGS RATIONALE**

The upgrade to Aa3 reflects the significant improvement in the town's financial position over the past several years as management has improved its budgeting process to reflect more realistic targets leading to surpluses in each of the last five years. Additionally, the rating reflects a limited size tax base, an elevated but affordable debt burden, average pension liability, and low OPEB liability.

**RATINGS OUTLOOK**

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

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Significant improvements to the tax base including resident wealth and incomes
- Sustained improvement in reserve levels
- Reduction of debt burden

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Significant decline in the tax base
- Significant drop in reserves

**LEGAL SECURITY**

The bonds are secured by the town's general obligation unlimited tax pledge as debt service has been voted exempt from the tax levy limits of Proposition 2 1/2.

**USE OF PROCEEDS**

Bond proceeds will refinance outstanding bond anticipation notes.

**PROFILE**

Templeton, MA is a rural community located about 60 miles northwest of Boston. The town is home to approximately 8,100 people.

**METHODOLOGY**

The principal methodology used in these ratings was US Local Government General Obligation Debt published in September 2019. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

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