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Rating Action: Moody's assigns Aa2 to the Village of Pewaukee, WI's GO bonds

18 Feb 2020

New York, February 18, 2020 -- Moody's Investors Service has assigned a Aa2 rating to the Village of Pewaukee, WI's $6.6 million General Obligation Corporate Purpose Bonds. Moody's maintains the Aa2 rating on the village's outstanding general obligation unlimited tax (GOULT) debt. Post-sale, the village will have $16.6 million in GOULT debt outstanding, $15.4 million of which is rated by Moody's.

RATINGS RATIONALE

The Aa2 rating reflects the village's moderately sized tax base that has seen growth in recent years, location that allows residents to commute to the City of Milwaukee (A1 negative) and throughout Waukesha County (Aaa stable) which helps bolster resident wealth, and a strong financial position that has exhibited multiple years of stability, as well as moderate debt and pension liabilities.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Expansion and diversification of the village's tax base and/or strengthening of socioeconomic profile

- Material declines in the debt or pension liabilities

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material declines in reserves and/or liquidity

- Significant increases in debt or pension liabilities

- Tax base contraction and/or negative shifts in demographic profile

LEGAL SECURITY

The village's GOULT debt, including the current issuance, are secured by its general obligation unlimited property tax pledge on all taxable property within the village without limitation as to rate or amount.

USE OF PROCEEDS

The GO bonds will be used to refund the 2023-2030 maturities of the Taxable General Obligation Corporate Purpose Bonds (Build America Bonds) from 2010. It will also finance $5.4 million in water, storm sewer, and sanitary sewer projects, as well as street improvement projects.

PROFILE

The Village of Pewaukee (Aa2) is in Waukesha County (Aaa stable) 20 miles west of the City of Milwaukee (A1 negative). The village encompasses an area of approximately four square miles with an estimated population of 8,200.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in September 2019. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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

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