

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aa2 to Madison County Public Library District, KY's \$4.8M GO Bonds, Series 2017

Global Credit Research - 04 Aug 2017

New York, August 04, 2017 -- Issue: General Obligation Bonds (Main Library Addition Project), Series 2017; Rating: Aa2; Rating Type: Underlying LT; Sale Amount: \$4,840,000; Expected Sale Date: 08/15/2017; Rating Description: General Obligation;

Summary Rating Rationale

Moody's Investors Service has assigned a Aa2 rating to Madison County Public Library District, KY's \$4.8 million General Obligation Bonds (Main Library Addition Project), Series 2017. Concurrently, we maintain the Aa2 rating on the district's outstanding parity debt.

The Aa2 rating reflects the district's large, growing tax base that benefits from the institutional stability of Eastern Kentucky University, history of stable financial operations, healthy operating reserves and liquidity, and manageable debt and pension burdens.

Rating Outlook

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

Factors that Could Lead to an Upgrade

- Trend of operating surpluses leading to a material increase of reserves
- Substantial expansion of tax base

Factors that Could Lead to a Downgrade

- Material decline of fund balance or liquidity
- Significant tax base contraction
- Further leveraging of tax base absent corresponding valuation growth

Legal Security

The bonds are general obligations of the district secured by an ad valorem tax unlimited as to rate or amount and an irrevocable pledge of the full faith, credit and taxing power of the district.

Use of Proceeds

Proceeds will provide funding to expand and renovate the main library building in Richmond.

Obligor Profile

The Madison County Public Library District, KY is coterminous with Madison County, and located 25 miles south of Lexington. The county estimated population was 85,838 residents in 2015.

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's.com for a copy of this methodology.

Regulatory Disclosures

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