

**Rating Action: Moody's assigns Aa2 to Madison County's (MS) GO Road and Bridge Bonds, Series 2017**

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Global Credit Research - 31 Aug 2017

New York, August 31, 2017 -- Issue: General Obligation Road and Bridge Bonds, Series 2017; Rating: Aa2; Rating Type: Underlying LT; Sale Amount: \$8,000,000; Expected Sale Date: 09/18/2017; Rating Description: General Obligation;

Summary Rating Rationale

Moody's Investors Service has assigned a Aa2 rating to Madison County's (MS) \$8 million General Obligation Road and Bridge Bonds, Series 2017. Concurrently, we maintain the Aa2 rating on both the county's outstanding general obligation parity debt as well as the GOLT debt secured by a levy of up to 5 mills and all available revenues of the county. The Aa2 rating reflects the county's stable financial operations coupled with a healthy reserve position and a large tax base that benefits from the county's proximity to the City of Jackson. The rating also reflects above average resident wealth levels and a manageable debt burden with above average principal amortization.

Rating 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 tax base expansion
- Continued trend of operating surpluses that significantly improve reserve levels

Factors that Could Lead to a Downgrade

- Significant tax base contraction
- Erosion of reserve position

Legal Security

The bonds are secured by a pledge of the full faith, credit and resources of the county, payable out of and secured by the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the limits of the county.

Use of Proceeds

Proceeds from the bonds will be used to improve several roads and bridges throughout the county.

Obligor Profile

Madison County is located immediately to the north of the City of Jackson, the state capital. In 2015, the estimated population of the county was 100,202 people.

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](http://www.moody's.com) for a copy of this methodology.

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