

**Rating Action: Moody's assigns A3 to Richland County, WI's GO notes**

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New York, February 12, 2020 -- Moody's Investors Service has assigned an A3 rating to Richland County, WI's \$3.0 million General Obligation Promissory Notes. Moody's maintains an A3 rating on the county's outstanding general obligation unlimited tax (GOULT) debt. The county will have \$25.7 million in outstanding Moody's rated GOULT debt by the closing date of the sale.

**RATINGS RATIONALE**

The A3 rating reflects the county's improved financial position and adequate reserves, stable and moderately sized tax base in southwestern Wisconsin (Aa1 stable), an aging population and above average debt and pension burdens. The rating also considers the contingent risk associated with nursing home operations and health and human services given high public payor dependence and potential volatility in the health services landscape. These factors remain a credit challenge even though the county has implemented operational efficiencies related to its both its nursing home and health and human services within the past two years.

**RATING OUTLOOK**

Outlooks are generally not assigned to local government credits with this amount of debt.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Sustained improvement in fund balance and liquidity in both operating funds and the county's nursing home
- Sustained growth and expansion of the county's tax base and economy
- Moderation of debt and pension burdens

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Declines in fund balance and liquidity
- Escalated enterprise risk that negatively impacts the county's financial operations
- Deterioration in the county's tax base and demographic profile
- Large increase in debt or pension burdens

**LEGAL SECURITY**

The General Obligation Promissory Notes are secured by the full faith, credit and resources of the county with ad valorem property taxes levied without limitation as to rate or amount.

**USE OF PROCEEDS**

Proceeds of the General Obligation Promissory Notes will finance various capital needs including roofing projects, technology, highway and park projects, dam repair, an ambulance garage, vehicles and courthouse equipment.

**PROFILE**

Richland County is in southwestern Wisconsin, along the Wisconsin River, approximately 60 miles northwest of Madison (Aaa stable). The county encompasses 584 square miles and serves a resident population of approximately 18,007. The county provides health and human services, an assisted living and skilled nursing home facility, public safety and highway infrastructure.

**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](http://www.moodys.com) for a copy of this methodology.

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