

MOODY'S

RATINGS

Rating Action: Moody's Ratings upgrades Casco, ME's issuer and GOLT ratings to Aa2

28 Oct 2024

New York, October 28, 2024 -- Moody's Ratings (Moody's) has upgraded the town of Casco, Maine's issuer rating and outstanding general obligation limited tax (GOLT) ratings to Aa2 from Aa3. The town has approximately \$3 million in debt outstanding.

The upgrade to Aa2 reflects the town's growing tax base driven by improving residential and commercial values alongside a consistently stable financial profile.

RATINGS RATIONALE

The Aa2 issuer rating reflects the town's very modest long term liability profile, supported by a history of stable financial reserves. Following a revaluation effective in fiscal 2025, the town's tax base surpassed \$1 billion for the first time and, as a result, full value per capita now measures over \$324,000, which is well over two times greater than similarly rated peers. Going forward, we expect the town to issue a modest amount of additional debt.

The GOLT rating is equivalent to the issuer rating reflecting the town's pledge of its full faith and credit.

RATINGS OUTLOOK

We do not assign outlooks to local government credits with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Significant tax base expansion
- Increase in resident incomes above 100% of the US median

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Structural imbalance leading to declines in reserves below 30% of revenue
- Significant, unexpected growth in long term liabilities

LEGAL SECURITY

Debt service is backed by the town's general obligation unlimited tax pledge as the town pledges its full faith and credit toward repayments of its bonds.

PROFILE

The Town of Casco, ME is located about 30 miles northwest of the City of Portland, ME (Aaa stable) and is home to approximately 3,646 year round residents. The town's population swells above 10,000 during the summer months as the area is a popular tourist destination with campgrounds representing some of the area's largest taxpayers.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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