

Rating Action: Moody's assigns Aaa to Carroll County's (MD) \$54.8M 2020 Ser. A&B GOULT bonds

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New York, November 10, 2020 -- Moody's Investors Service has assigned Aaa ratings to Carroll County, MD's \$29.4 million Consolidated Public Improvement and Refunding Bonds of 2020 (Series A) and \$25.3 million Taxable Refunding Bonds of 2020 (Series B). Moody's maintains the Aaa rating on the county's outstanding GOULT debt. The outlook is stable.

RATINGS RATIONALE

The Aaa rating is based on the ongoing expansion of the county's large tax base and growing revenue streams, resulting in a consistently healthy and stable financial position. The Aaa rating also incorporates the county's beneficial location near the Baltimore-Washington metro area, above-average resident wealth levels, comprehensive fiscal policies and planning, and manageable debt and pension burdens.

RATING OUTLOOK

The stable outlook reflects the continued growth of the county's tax base, which derives stability from its location near the District of Columbia (Aaa stable) and the City of Baltimore (Aa2 stable). The outlook also factors in the county's healthy financial position and adherence to formal financial and debt policies, which will likely continue to support stable financial operations going forward.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material deterioration in taxable values or demographic profile
- Declines in general fund reserves and liquidity
- Material increase in debt burden

LEGAL SECURITY

The bonds are secured by the full faith and credit and unlimited taxing power of the county.

USE OF PROCEEDS

Proceeds from the new money portion of the 2020A bonds will be used to fund various projects throughout the county, and proceeds from the refunding portion will refund the county's Consolidated Public Improvement Bonds of 2010 (Series D) (Federally Taxable -Issuer Subsidy - Build America Bonds) for debt service savings.

Proceeds from the 2020B bonds will be used to refund the county's outstanding Consolidated Public Improvement and Refunding Bonds of 2012 and Public Improvement Bonds of 2013 for savings.

PROFILE

Carroll County is located 25 miles northwest of the City of Baltimore and has a population of approximately 174,000.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in July 2020 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1230443. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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 at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004

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