



Rating Action: Moody's Upgrades to Aaa Carroll County's (MD) GO Bonds; Outlook Stable

11 Oct 2018

New York, October 11, 2018 -- Moody's Investors Service has assigned a Aaa rating to Carroll County, MD's \$25 million general obligation (GO) Public Improvement Bonds of 2018. Concurrently, we have upgraded to Aaa from Aa1 the rating on the county's \$272 million of rated outstanding parity GO debt. The outlook remains stable.

RATINGS RATIONALE

The upgrade to Aaa 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

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

- 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 Series 2018 bonds will be used to fund projects across the county for schools, public works, conservation, and water resources.

PROFILE

Carroll County is located 25 miles northwest of the City of Baltimore and has a population of approximately 170,000.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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