



## Rating Action: Moody's assigns Aaa to Carroll County, MD's 2023 GO bonds; outlook stable

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New York, November 06, 2023 -- Moody's Investors Service has assigned a Aaa to Carroll County, MD's \$30 million Public Improvement Bonds of 2023. Moody's maintains a Aaa on the county's outstanding issuer and general obligation ratings. The outlook is stable. The county has approximately \$316 million in total debt outstanding.

### RATINGS RATIONALE

The Aaa issuer rating reflects the county's strong and stable local economy with ongoing development that is expected grow the revenue base. The Aaa also reflects its strong reserve position that is expected to remain healthy through fiscal 2024 despite planned efforts to use reserves for capital projects. Its leverage will remain low but has ongoing capital projects that are accounted for in its formal multi-year plan. The additional debt the county will be issuing over the coming several years will be offset with revenue growth and principal amortization leading to a modes change in its debt metrics.

The Aaa rating on the county's general obligation bonds is rated at the same level as the issuer rating to reflect the general obligation unlimited ad valorem tax pledge supporting the bonds.

### RATING OUTLOOK

The stable outlook reflects the expectation that the county's local economy will continue to expand given proximity to Baltimore and that its financial position will remain healthy supported by formal policies and proactive management.

### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Contraction of the local economy
- Increase in leverage
- Decline in reserves

### LEGAL SECURITY

The bonds benefit from the county's irrevocable full faith and credit and unlimited taxing power. Every year the county shall levy ad valorem taxes upon all taxable property within the county in an amount sufficient to pay principal and interest on the bonds.

### USE OF PROCEEDS

The bonds will finance various capital projects including general government, public schools, and conservation and water resource projects.

### PROFILE

Carroll County, MD is located in the northern portion of the state to the west of Baltimore County (Aaa stable). Its population is around 172,000.

## METHODOLOGY

The principal methodology used in this rating was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moodys.com/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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