

Announcement: Moody's: Outlook to Stable for Most Aaa-Rated Muni Credits Linked to U.S. Government

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New York, December 07, 2011 -- Moody's Investors Service has completed its assessments of the rating outlooks of five Aaa-rated states and 161 Aaa local governments previously identified as indirectly linked to the U.S. government, affecting a combined \$69 billion of debt. As a result of these assessments, Moody's has revised the outlook to stable from negative for two states and 119 local governments while the outlook remains negative for three states and 36 local governments.

In addition, six local governments continue to carry negative outlooks for reasons unrelated to the U.S. government. While Moody's does not view these issuers as indirectly linked to the U.S. government, their ratings are under review based on other credit factors. Also, one of the local governments originally placed on negative outlook in August was previously downgraded to Aa1 for reasons unrelated to the U.S. government.

Moody's assigned negative outlooks to these issuers on August 4, following the August 2 confirmation of the U.S. government's Aaa sovereign rating and assignment of a negative outlook. That sovereign rating action concluded a review for possible downgrade that Moody's had initiated on July 13.

RATINGS RATIONALE

"Today's actions are based on an expanded evaluation of the exposure each municipality has to the U.S. government, including economic sensitivity to federal spending reductions, dependence on federal transfers and exposure to capital markets disruptions" said Naomi Richman, Moody's Managing Director.

Moody's analysis includes specific metrics such as federal procurement activity, federal employment and healthcare employment as indicators of economic sensitivity. Medicaid expenditures for states and public hospital expenditures for local governments as indicators of direct exposure to federal spending are also considered along with the presence of short-term or puttable debt as an indicator of exposure to capital markets disruptions.

"Issuers with outlooks that remain negative are viewed as having greater exposure to potential cuts in federal employment and federal spending," said Ms. Richman.

The outlooks of South Carolina and Tennessee were revised to stable to reflect their relatively lower levels of financial and economic exposure to the U.S. The outlooks of Maryland, New Mexico and Virginia remain negative due to high concentrations of federal government employment and federal procurement.

"Maryland, New Mexico and Virginia have economies that are highly dependent on federal employment and federal spending," said Nick Samuels, Vice President on Moody's states rating team. "As a result, they are exposed to the risks posed by federal downsizing and spending cuts."

If the U.S. Aaa rating were to be placed under review or downgraded the ratings of municipal issuers with a negative outlook tied to the U.S. government would follow suit.

Moody's notes, however, that even with a return to a stable outlook for the U.S. sovereign rating, the ratings of some of these states and local governments may remain pressured if the measures designed to reduce the federal deficit significantly cut government spending or transfers in areas in which the municipality has concentrations.

Certain municipal issuers that had negative outlooks prior to the August rating actions will retain their negative outlooks for reasons unrelated to the U.S. government rating pressure. Additional information on those issuers can be found in the individual research on those entities at www.moodys.com. In addition, the ratings of two higher education and not-for-profit organizations and 12 housing programs with indirect exposure to the U.S. government remain on negative outlook.

The list of affected issuers can be found below. A complete list of affected securities and a special comment with additional analysis, "Most Aaa-Rated State and Local Governments Revert to Stable Outlooks, Despite Negative Pressure on U.S. Government Rating," is available at www.moodys.com/USRatingActions.

The principal methodologies used in these rating actions were General Obligation Bonds Issued by U.S. Local Governments published in October 2009 and Moody's State Rating Methodology published in November 2004. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

LOCAL GOVERNMENTS WITH OUTLOOKS REVISED TO STABLE FROM NEGATIVE:

ALABAMA:

MOUNTAIN BROOK (CITY OF)

VESTAVIA HILLS (CITY OF)

CALIFORNIA:

MANHATTAN BEACH (CITY OF)

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

COLORADO:

JEFFERSON (COUNTY OF)

CONNECTICUT:

DARIEN (TOWN OF)

EASTON (TOWN OF)

GREENWICH (TOWN OF)

MADISON (TOWN OF)

NEW CANAAN (TOWN OF)

NORWALK (CITY OF)

RIDGEFIELD (TOWN OF)

WALLINGFORD (TOWN OF)

WESTON (TOWN OF)

WESTPORT (TOWN OF)

WILTON (TOWN OF)

WOODBIDGE (TOWN OF) CT

DELAWARE:

NEW CASTLE (COUNTY OF)

FLORIDA:

BROWARD (COUNTY OF)

HILLSBOROUGH (COUNTY OF)

PALM BEACH (COUNTY OF)

PALM BEACH (COUNTY OF) WATER AND SEWER ENTERPRISE

GEORGIA:

COBB (COUNTY OF)

COBB (COUNTY OF) WATER AND SEWER ENTERPRISE

FORSYTH (COUNTY OF)

GWINNETT (COUNTY OF)

GWINNETT COUNTY SCHOOL DISTRICT

GWINNETT COUNTY WATER & SEWERAGE AUTHORITY

ILLINOIS:

DU PAGE COUNTY FOREST PRESERVE DISTRICT

WILMETTE (VILLAGE OF)

KANSAS:

JOHNSON & MIAMI COUNTY UNIFIED SCHOOL DISTRICT 229 (BLUE VALLEY)

JOHNSON (COUNTY OF)

JOHNSON COUNTY COMMUNITY COLLEGE

JOHNSON COUNTY UNIFIED SCHOOL DISTRICT 512 (SHAWNEE MISSION)

JOHNSON COUNTY WATER DISTRICT 1

LEAWOOD (CITY OF)

LENEXA (CITY OF)

OVERLAND PARK (CITY OF)

PRAIRIE VILLAGE (CITY OF)

KENTUCKY:

LOUISVILLE WATER WORKS BOARD

MASSACHUSETTS:

ACTON (TOWN OF)

BELMONT (TOWN OF)

BROOKLINE (TOWN OF)

CONCORD (TOWN OF)

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

DOVER (TOWN OF)

HINGHAM (TOWN OF)

LEXINGTON (TOWN OF)

LINCOLN-SUDBURY REGIONAL SCHOOL DISTRICT

NEWTON (CITY OF)

WAYLAND (TOWN OF)

WELLESLEY (TOWN OF)

WESTON (TOWN OF)

MICHIGAN:

BIRMINGHAM SCHOOL DISTRICT

OAKLAND SCHOOL DISTRICT

MISSOURI:

LEE'S SUMMIT (CITY OF)

MINNESOTA:

DAKOTA (COUNTY OF)

EDINA INDEPENDENT SCHOOL DISTRICT 273

HENNEPIN (COUNTY OF) -- GENERAL OBLIGATION AND SALES TAX REVENUE

MAPLE GROVE (CITY OF)

MINNEAPOLIS (CITY OF)

MINNETONKA INDEPENDENT SCHOOL DISTRICT 276

RAMSEY (COUNTY OF)

ST. LOUIS PARK (CITY OF)

WASHINGTON (COUNTY OF)

WAYZATA (CITY OF)

WAYZATA INDEPENDENT SCHOOL DISTRICT 284

NEBRASKA:

OMAHA (CITY OF)

NEW JERSEY:

BERGEN (COUNTY OF)

MONMOUTH (COUNTY OF)

MORRIS (COUNTY OF)

NORTH CAROLINA:

DURHAM (COUNTY OF)

GREENSBORO (CITY OF)

GUILFORD (COUNTY OF)

MECKLENBURG (COUNTY OF)

NEW HANOVER (COUNTY OF)

WAKE (COUNTY OF)

WINSTON-SALEM (CITY OF)

OHIO:

FRANKLIN (COUNTY OF)

WASHINGTON (TOWNSHIP OF)

OREGON:

PORTLAND (CITY OF)

PENNSYLVANIA:

BUCKS (COUNTY OF)

CHESTER (COUNTY OF)

DOWNINGTOWN AREA SCHOOL DISTRICT

GREAT VALLEY SCHOOL DISTRICT

LOWER GWYNEDD (TOWNSHIP OF)

LOWER MERION (TOWNSHIP OF)

MONTGOMERY (COUNTY OF)

TREDYFFRIN (TOWNSHIP OF)

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT

UPPER MERION (TOWNSHIP OF)

WEST CHESTER AREA SCHOOL DISTRICT

WISSAHICKON SCHOOL DISTRICT

TENNESSEE:

FRANKLIN (CITY OF)

HAMILTON (COUNTY OF)

MEMPHIS (CITY OF) WATER ENTERPRISE

WILLIAMSON (COUNTY OF)

TEXAS:

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT

RICHARDSON (CITY OF)

TRAVIS (COUNTY OF)

UTAH:

CANYONS SCHOOL DISTRICT

JORDAN SCHOOL DISTRICT

SALT LAKE (COUNTY OF)

SALT LAKE CITY (CITY OF)

SALT LAKE CITY SCHOOL DISTRICT

VIRGINIA:

ALBEMARLE (COUNTY OF)

CHARLOTTESVILLE (CITY OF)

CHESTERFIELD (COUNTY OF)

HANOVER (COUNTY OF)

HENRICO (COUNTY OF)

WASHINGTON:

BELLEVUE (CITY OF)

KING (COUNTY OF)

KING COUNTY SCHOOL DISTRICT 1 (SEATTLE)

KING COUNTY SCHOOL DISTRICT 400 (MERCER ISLAND)

KING COUNTY SCHOOL DISTRICT 405 (BELLEVUE)

KING COUNTY SCHOOL DISTRICT 411 (ISSAQUAH)

KING COUNTY SCHOOL DISTRICT 414 (LAKE WASHINGTON)

SEATTLE (CITY OF)

WISCONSIN:

MEQUON-THIENSVILLE SCHOOL DISTRICT

LOCAL GOVERNMENTS WITH OUTLOOKS THAT REMAIN NEGATIVE DUE TO LINKAGE WITH U.S. GOVERNMENT:

ALABAMA:

HUNTSVILLE (CITY OF)

COLORADO:

DENVER (CITY & COUNTY OF)

EL PASO COUNTY SCHOOL DISTRICT 12 (CHEYENNE MOUNTAIN)

INDIANA:

HAMILTON (COUNTY OF)

MARYLAND:

BALTIMORE (COUNTY OF)

BOWIE (CITY OF)

HARFORD (COUNTY OF)

HOWARD (COUNTY OF)

MONTGOMERY (COUNTY OF)

PRINCE GEORGE'S (COUNTY OF)

ROCKVILLE (CITY OF)

WASHINGTON SUBURBAN SANITARY DISTRICT

MISSOURI:

CHESTERFIELD (CITY OF)

ST. LOUIS (COUNTY OF)

NEW MEXICO:

ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

BERNALILLO (COUNTY OF)

OKLAHOMA:

OKLAHOMA (COUNTY OF)

OKLAHOMA CITY (CITY OF)

PENNSYLVANIA:

LOWER MERION SCHOOL DISTRICT (MONTGOMERY CO.)

TEXAS:

ALAMO COMMUNITY COLLEGE DISTRICT

BEXAR (COUNTY OF)

DALLAS (COUNTY OF)

SAN ANTONIO (CITY OF)

SAN ANTONIO RIVER AUTHORITY

TARRANT (COUNTY OF)

TARRANT COUNTY HOSPITAL DISTRICT

VIRGINIA:

ALEXANDRIA (CITY OF)

ARLINGTON (COUNTY OF)

FAIRFAX (CITY OF)

FAIRFAX (COUNTY OF)

FAIRFAX COUNTY WATER AUTHORITY

HERNDON (TOWN OF)

LOUDOUN (COUNTY OF)

PRINCE WILLIAM (COUNTY OF)

VIENNA (TOWN OF)

VIRGINIA BEACH (CITY OF)

LOCAL GOVERNMENTS WITH OUTLOOKS THAT REMAIN NEGATIVE DUE TO FACTORS OTHER THAN LINKAGE WITH U.S. GOVERNMENT:

CONNECTICUT:

FAIRFIELD (TOWN OF)

OHIO:

LAKOTA LOCAL SCHOOL DISTRICT (BUTLER COUNTY)

NEW JERSEY:

UNION (COUNTY OF)

NEW YORK:

WESTCHESTER (COUNTY OF)

TEXAS:

GARLAND INDEPENDENT SCHOOL DISTRICT

HARRIS (COUNTY OF)

LOCAL GOVERNMENT DOWNGRADED TO Aa1 SUBSEQUENT TO AUGUST 4, 2011 DUE TO FACTORS OTHER THAN LINKAGE WITH U.S. GOVERNMENT:

MASSACHUSETTS:

BEDFORD (TOWN OF)

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