

**Rating Action: Moody's assigns a Aa1 rating to Baldwin County's (AL) \$18.65 million General Obligation Warrants, Series 2013**

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Global Credit Research - 07 Feb 2013

**Aa1 rating maintained on \$122.5 million in previously issued debt.**

NOTE: On March 4, 2013, the press release was revised as follows: Correction to Subheadline: Has been changed from "Affirmation of the Aa1 rating affects \$122.5 million in previously issued debt" to "Aa1 rating maintained on \$122.5 million in previously issued debt." Correction to text: First paragraph has been changed from "Concurrently, Moody's has affirmed the Aa1 rating on \$122.5 million in previously issued parity debt." to "Moody's maintains Aa1 rating on \$122.5 million in previously issued parity debt." Revised release follows.

New York, February 07, 2013 -- Moody's Rating

Issue: General Obligation Warrants, Series 2013; Rating: Aa1; Sale Amount: \$18,645,000; Expected Sale Date: 02-13-2013; Rating Description: General Obligation

Opinion

Moody's Investors Service has assigned a Aa1 rating to Baldwin County's (AL) \$18.65 million General Obligation Warrants, Series 2013. The warrants are secured by a general obligation, limited ad valorem tax pledge of the county. Moody's maintains Aa1 rating on \$122.5 million in previously issued parity debt.

SUMMARY RATINGS RATIONALE

The Aa1 rating reflects the county's sizeable tax base with above-average wealth levels, history of prudent fiscal management, solid financial position marked by significant General Fund reserves, and small debt burden. The proceeds will be used to advance refund the Series 2006-A Warrants for an estimated net present value savings of \$514,000, or 2.7% of refunded principal, with no extension of maturity.

STRENGTHS

- Solid financial management and sizeable General Fund reserves
- Sizeable tax base
- Low debt burden

WEAKNESSES

- Declines in property tax values
- Below-average amortization of principal

WHAT COULD MAKE THE RATING GO UP:

- Growth in tax base
- Improved reserve levels and cash position

WHAT COULD MAKE THE RATING GO DOWN:

- Deterioration in General Fund reserve levels
- Significant increased debt burden
- Decreases in tax base valuations

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments

published in October 2009. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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