MOODY'S
INVESTORS SERVICE

Rating Action: Moody's Assigns A1 to East Point, GA's Rev. Bonds; Outlook Positive

Global Credit Research - 17 Apr 2017

New York, April 17, 2017 -- Issue: Revenue Refunding Bonds (Water and Sewer Project), Series 2017; Rating: A1; Rating Type: Underlying LT; Sale Amount: $47,000,000; Expected Sale Date: 04/25/2017; Rating Description: General Obligation Limited Tax;

Summary Rating Rationale

Moody's Investors Service assigns an initial A1 rating to the City of East Point's (GA) $47 million Revenue Refunding Bonds (Water and Sewer Project), Series 2017 issued through the East Point Building Authority, GA. Post-sale, the city will have $48 million of general obligation limited tax (GOLT) debt outstanding.The A1 rating reflects the city's limited 15-mill ad valorem tax pledge through an intergovernmental contract with the East Point Building Authority. The rating also incorporates the city's sizeable tax base that benefits from proximity to the City of Atlanta (Aa1 stable), weak socieconomic indices, strong reserves and liquidity levels supported by healthy financial operations, and a low debt burden.

Rating Outlook

The positive outlook reflects the likelihood of a continued trend of operating surpluses and maintenance of financial reserves and liquidity at healthy levels.

Factors that Could Lead to an Upgrade

Sustained levels of strong operating reserves and liquidity

Expansion and diversification of the city's tax base

Improved socioeconomic metrics of city residents

Factors that Could Lead to a Downgrade/Removal of Positive Outlook

Material declines in full valuation and/or weakening of resident income levels

Deterioration of the city's financial position

Legal Security

The bonds are ultimately secured by the city's full faith and credit ad-valorem tax pledge within the city's self-imposed 15-mill tax limitation through an intergovernmental contract with the Building Authority.

Use of Proceeds

Bond proceeds will refund outstanding Series 2006 and Series 2007 Water and Sewer Revenue Bonds for a net present value savings of $3.6 million.

Obligor Profile

The City of East Point is located 8 miles south of Atlanta (Aa1 stable) in southern Fulton County (Aa1 Stable), along Interstate 75. As of 2015, the city's population was 35,357, a 4.8% increase from 2010.

Methodology

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

Regulatory Disclosures

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Nikki Carroll
Lead Analyst
Regional PFG Northeast
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007
US
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Gregory Lipitz
Additional Contact
Regional PFG Northeast
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.