

BOSTON (Standard & Poor's) June 4, 2012--Standard & Poor's Ratings Services has raised its underlying rating (SPUR) on York County, Maine's general obligation (GO) debt to 'A' from 'A-' based on the county's improved financial management and position. The outlook is stable.

In Standard & Poor's opinion, additional rating factors include:

A diverse regional economy with good household income and wealth measures,
A relatively stable financial profile, and

Very low debt burden with a rapid debt amortization schedule.

"In our view, the county's finances have improved substantially over the past two fiscal years to what we consider strong. The county posted a \$1 million surplus in fiscal 2010, bringing the unreserved general fund balance to \$2.1 million, which, in our view, is strong at 24% of expenditures. Furthermore, management indicates that it expects to close with an additional \$500,000 surplus for fiscal 2011 due to conservative revenue and expenditure estimates," said Standard & Poor's credit analyst Victor Medeiros.

The county's current reserve position shows marked improvement from fiscal 2006, when it maintained a negative \$1.2 million fund balance, equivalent to 6.6% of the general fund budget. The county's cash balances have also seen strong improvement. In 2010, the county closed the general fund with a cash balance of \$3.3 million, equivalent to roughly 60 days' governmental fund expenditures, up from seven days in 2006.

Standard & Poor's does not expect the rating to change within the two-year parameter of the outlook as it believes management will continue to maintain balanced operating results. The stable outlook also reflects the county's debt burden and modest future capital needs.

York County is approximately 989 square miles and is Maine's southernmost county, bordered by the Atlantic Ocean to the east and New Hampshire to the south and west.

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