



North Carolina Department of State Treasurer

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January 12, 2007

For Immediate Release
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TREASURER MOORE ANNOUNCES STATE'S RETURN TO "AAA" STATUS

North Carolina Returns to Elite Group of States with Top Ratings Across the Board

RALEIGH – State Treasurer Richard Moore announced today that Moody's Investors Service has upgraded the State of North Carolina's general obligation bonds from Aa1 to Aaa with a stable outlook. That change means that North Carolina becomes one of only 7 states to enjoy top-tier rankings from all three of the rating agencies. In making the upgrade, Moody's noted the state's strong financial performance, replenishment of depleted reserves, recent economic gains that surpass national averages, and the state's effective fiscal management.

"This upgrade by Moody's reflects the sound financial management that is such a hallmark of our state," Moore said. "The superior ratings from all three agencies are evidence of the confidence the market has in our state and in our bonds. It means that North Carolina can borrow at the best rates possible. Above all, today's news highlights the importance of continuing to watch our state's bottom line and to replenish our savings."

Moody's report highlighted North Carolina's strong management of its debt, an area where Treasurer Moore has been a leader. Moore released the state's first debt affordability report in 2003 and has helped keep the state's debt burden reasonable. In addition, the report praises the state's replenishment of savings funds, including the Rainy Day Fund, the Disaster Relief Reserve and the Repairs and Renovations Reserve.

In the report, Moody's recognized the gains the state has made and predicted continued improvement. "As the result of conservative budgeting, tight expenditure controls, and an improving economy the state's financial performance has made strong gains in recent years," the report states. The analysts predict job growth that outpaces the rest of the nation, fueled by high-tech industries and strong research. The report concludes with the assertion that "...strong executive management, the stable economy, and the strong revenue growth in recent years will enable the state to steadily improve its fund balances and continue to replenish its reserve."

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