



Moody's Investors Service

June 5, 2002

Larry Throm
Deputy Superintendent for Finance
Austin Independent School District
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Austin, TX 78703

Plaza of the Americas

600 North Pearl St., Suite 2165

Dallas, Texas 75201 DEP SUPT/FINANCE

Tel: 214.220.4350

JUN 10 2002

AUSTIN I.S.D.

Dear Mr. Throm,

We wish to inform you that on May 31, 2002, Moody's Rating Committee assigned a Aaa rating to the Austin Independent School District's PSF Guaranteed Unlimited Tax School Building Bonds, Series 2002.

In addition Moody's has assigned an underlying rating of Aa2 to Austin Independent School District's outstanding debt.

In order for us to maintain the currency of our ratings, we request that you provide ongoing disclosure, including annual financial and statistical information.

Moody's will monitor the rating and reserves the right, at its sole discretion, to revise or withdraw the rating at any time in the future.

The rating as well as any revisions or withdrawals thereof will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's rating's desk.

Should you have any questions regarding the above please do not hesitate to contact me or the analyst assigned to this transaction, Dwight Burns 214-220-4389.

Sincerely,

Douglas Benton
Vice President/Senior Credit Officer

cc: Chris W. Allen
Public Financial Management
700 Lavaca, Suite 1500
Austin, TX 78701

DB/mjd