

# MOODY'S

## RATINGS

### **Rating Action: Moody's Ratings assigns Aa1 to Sayville UFSD, NY's 2025 Bonds**

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14 Apr 2025

New York, April 14, 2025 -- Moody's Ratings (Moody's) has assigned a Aa1 general obligation unlimited tax (GOULT) rating to Sayville Union Free School District, NY's proposed \$14.9 million School District Serial Bonds - 2025. Additionally, we maintain a Aa1 rating on the district's outstanding general obligation unlimited tax (GOULT) debt and a Aa1 issuer rating. Following this issuance, total outstanding debt will be approximately \$36.7 million.

#### RATINGS RATIONALE

The Aa1 issuer rating reflects the district's stable local economy characterized by above average resident wealth and income and overall stable enrollment. The rating also reflects the district's healthy financial position with available reserves ending at 26.2% of revenue as of fiscal 2024 despite a draw of additional reserves to cover higher than anticipated expenditures related to instruction and employee benefits. The rating also incorporates our expectation of manageable long-term liabilities and fixed costs in the near term.

#### RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt outstanding.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Maintenance of available reserves with levels above national medians or 40% of revenues
- Expansion of local economy resulting in enrollment growth
- Material decline in long-term liabilities and its associated fixed costs

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

-Significant increase in long-term liabilities to levels above similarly rated peers or 350% of revenue

-Material decline in fund balance and/or liquidity to levels no longer commensurate with the rating category

## LEGAL SECURITY

The bonds are backed by the district's faith and credit and pledge to levy ad valorem property taxes to pay debt service unlimited as to rate or amount.

## USE OF PROCEEDS

The proceeds of the bonds will be used to redeem outstanding bond anticipation notes.

## PROFILE

Sayville Union Free School District is located in Suffolk County, New York (A1 positive) and provides educational services to approximately 2,600 students for grades PreK-12.

## METHODOLOGY

The principal methodology used in this rating was US K-12 Public School Districts published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425431>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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