

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aa1 to DuPage & Will Cos. CUSD 204, IL's GO Bonds, Series 2024

21 Nov 2024

New York, November 21, 2024 -- Moody's Ratings (Moody's) has assigned a Aa1 to DuPage and Will Counties Community Unit School District (CUSD) 204 (Indian Prairie), IL's General Obligation School Building Bonds, Series 2024 with a proposed par amount of \$13.3 million. We maintain the district's Aa1 issuer rating and the Aa1 rating on the district's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the district will have nearly \$80 million of debt outstanding.

RATINGS RATIONALE

The Aa1 issuer rating reflects the district's strong financial position that is supported by increasing property tax revenues and prudent budget management. Available fund balance should remain well above 30% of revenue. Unaudited fiscal 2024 (year end June 30) results reflect a modest increase in fund balance and the fiscal 2025 budget is balanced. The district's local economy benefits from its location in the western suburbs of Chicago with strong resident incomes (168% of the US) and full value per capita (\$153,000). The long-term leverage ratio will increase over the next few years because voters recently approved a \$420 million bond referendum, but it should remain in line with similarly rated peers.

The Aa1 GOULT rating is equivalent to the Aa1 issuer rating because of the district's full faith and credit pledge with authority to raise ad valorem property taxes unlimited as to rate or amount.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- An available fund balance ratio consistently above 40% of revenue

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- An available fund balance ratio nearing 20% of revenue
- Long term leverage approaching 250% of revenue

LEGAL SECURITY

The district's GOULT bonds, inclusive of the Series 2024 bonds, are backed by its pledge and authorization to levy a property tax unlimited as to rate or amount to pay debt service.

USE OF PROCEEDS

Proceeds will finance a variety of capital improvements throughout the district including classrooms, roofing, and security.

PROFILE

The district is located primarily in DuPage County, approximately 35 miles west of downtown Chicago and serves portions of Naperville, Aurora, Bolingbrook, Plainfield and Warrenville. The district operates 21 elementary schools, seven middle schools, three high schools, one alternative high school, one freshman center and one pre-school. District enrollment currently exceeds 25,000 students.

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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