

Summary:

Sumter County School Board Leasing Corp., Florida Sumter County School Board; Appropriations

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Sumter Cnty Sch Brd, Florida

Sumter Cnty Sch Brd Lsg Corp certs of part ser 2006 (MBIA) (MBIA of National)

Unenhanced Rating A(SPUR)/Stable Affirmed

Sumter Cnty Sch Brd certs of part ser 2007

Unenhanced Rating A(SPUR)/Stable Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services affirmed its 'A' underlying rating (SPUR) on Sumter County School Board Leasing Corp., Fla.'s certificates of participation (COPs) series 2006 and 2007, both issued on behalf of Sumter County School Board. The outlook is stable. Pursuant to a master lease agreement, the 2006 and 2007 COPs are on par with each other. The rating is based on our view of the lease's legal provisions, which we believe are consistent with Standard & Poor's lease criteria and the general credit fundamentals of Sumter County School Board.

The rating also reflects our opinion of the county's:

- Sizable tax base with an assessed value of \$6.8 billion;
- A very diverse tax base;
- Extremely strong market value per capita figures; and
- A favorable debt profile.

In our opinion, these strengths are offset by the county's:

- Limited local economy; and
- Wealth levels that are lower than national and state averages, though adequate for the rating.

Sumter County School Board is coterminous with Sumter County (current estimated population of 74,000) in central Florida. The district is located approximately 60 miles due west of Orlando. Residents tend to work in the local area, although there is access to both the Orlando and Tampa areas. Both are about 60 miles or one hour from Sumter County. The three largest employers include the Coleman Federal Prison (1,004), the Sumter County School District (830), and the villages (700).

Median household effective buying incomes are what we believe to be an adequate level for the rating of 88% of the national average and good at 92% of the state average. Enrollment has been flat at around 5,500 students (excluding charter school student population). Total revenues from state aid have been approximately 8%, and are

not expected to change materially next year.

In fiscal 2009, unreserved fund balances were what we considered to be strong at 9.6% of expenditures, down from the prior year's 12.0%. The audit for the fiscal year ended June 30, 2010, is not ready; however, management has indicated that results are expected to be consistent with prior years. Capital needs are not substantial, as management does not expect material capital spending over the next five years. As such, we expect the district's debt burden, which is less than half of 1% of market value, to remain low. This is, in our opinion, very low on a per capita basis at less than \$500. Also, the debt service as a percent of expenses is, in our opinion, low at 4%. The tax base of \$6.8 billion as of June 30, 2009, represents an increase of 6% over the prior year. This is the second consecutive year of 6% growth.

Sumter's County's management practices are considered "standard" under Standard & Poor's financial management assessment methodology, indicating that in our view the finance department maintains adequate policies in most, but not all, key areas.

Outlook

The stable outlook reflects our expectation of continued growth and development within the county, our expectation of the continued maintenance of a strong financial position, and favorable debt position.

Related Criteria And Research

USPF Criteria: GO Debt, Oct. 12, 2006

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