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Avondale School District Receives Upgrade to A1 Credit Rating

AUBURN HILLS, MI – Avondale School District is pleased to announce that Moody’s Investors Service has upgraded its issuer and general obligation unlimited tax debt (GOULT) ratings from A2 to A1. This reflects the district’s strong financial performance and solid fiscal management. Moody’s also assigned an A1 underlying rating and Aa1 enhanced rating to the district’s 2025 School Building and Site Bonds, which have a preliminary par value of \$54 million.

The upgrade is based on the district’s consistent ability to maintain solid available fund balances and strong net cash ratios, which are expected to remain at levels well above historical trends. The district is also projected to outperform a small budgeted drawdown in fiscal year 2025, aided by above-budget enrollment and expected positive expenditure variances.

“We are proud of this significant achievement and grateful for Moody’s recognition of our district’s financial strength,” said Dr. James Schwarz, Superintendent. “This upgrade reflects the hard work and commitment of our administration, staff, and community to maintaining fiscal responsibility while continuing to provide excellent educational opportunities.”

Key Drivers for the Rating Upgrade:

- **Strong Local Economy and Enrollment Growth:** Avondale benefits from a local economy with a resident income ratio of 138% and a full value per capita of nearly \$150,000. The district’s growing enrollment is supported by shared-service agreements with local parochial schools.
- **Financial Resilience:** The district’s available fund balance ratio was 15% in fiscal year 2024 and is expected to remain strong, supporting long-term financial sustainability.
- **Low Long-Term Liabilities:** The district’s long-term liabilities ratio stood at 253% in fiscal 2024, expected to stay below 400%, even with the issuance of new bonds.

The A1 GOULT rating is based on the district’s general obligation pledge and its ability to levy unlimited property taxes for debt service. The Aa1 enhanced rating reflects the Michigan School Bond Qualification and Loan Program (SBQLP), ensuring that the state will provide funds if needed for debt service payments.

Looking ahead, the district's financial position remains strong, with factors such as sustained high fund balances and continued enrollment growth likely to contribute to future ratings improvements. For more information about Avondale School District, visit www.avondaleschools.org. For more information about ratings by Moody's Investors Service, Inc., visit <https://ratings.moody.com>.

