



Rating Action: Moody's Upgrades Sarasota County's (FL) Limited Ad Valorem Tax Bonds To Aaa from A3

Global Credit Research - 17 Feb 2017

New York, February 17, 2017 -- Summary Rating Rationale

Moody's Investors Service has upgraded the rating of Sarasota County's (FL) Limited Ad Valorem Tax Bonds to Aaa from A3. The Aaa rating is the same as Sarasota County's (FL) long term issuer rating, reflecting the county's lack of full faith and credit pledge and inability to override the 0.25 mill tax cap, which is offset by ample available taxing headroom (67%) from collected property taxes sufficient to pay debt service.

This action concludes a review undertaken in conjunction with the publication on December 16, 2016 of the US Local Government General Obligation Debt Methodology.

Rating Outlook

The stable outlook on the GOLT reflects Moody's stable outlook on the fundamental credit.

Credit Strengths

- Strong operating fund reserves
- Improving tax base generating increased property tax revenues
- Headroom over dedicated levy to cover debt service payments

Credit Challenges

- Historical tax base volatility

Factors that Could Lead to an Upgrade

- Not Applicable

Factors that Could Lead to a Downgrade

- Declines in General Fund reserves or cash position
- Sizeable increase in debt levels
- Deterioration of tax base or socioeconomic factors

Legal Security

The Limited Ad Valorem Tax bonds, Series 2005 and 2008, are secured by a voter-approved 0.25 mill property tax levied through 2029. The bonds are on parity with the Series 2010 and 2014 notes (not rated).

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

Regulatory disclosure

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