

January 16, 2025

SALE DAY REPORT FOR:

# Independent School District No. 833 (South Washington County Schools), Minnesota

\$8,980,000 Certificates of Participation, Series 2025A



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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# Competitive Sale Results

**PURPOSE:** To finance the acquisition and remodeling of an existing building to provide instructional services for students in the special education transition program.

**RATING:** Moody's Investor's Service "A2" (Moody's also affirmed their "A1" underlying rating for the District's general obligation bonds)

**NUMBER OF BIDS:** 5

**LOW BIDDER:** KeyBanc Capital Markets Incorporated, Cleveland, Ohio

## COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

**LOW BID\*:** 4.0264%

**HIGH BID:** 4.5486%

Summary of Sale Results:	
Principal Amount*:	\$8,980,000
Underwriter's Discount:	\$94,290
Reoffering Premium:	\$409,560
True Interest Cost*:	4.0276%
Costs of Issuance:	\$102,775
Yield:	3.190%-4.20%
Total Net P&I:	\$12,614,413

\* The winning bidder submitted a bid with a premium price (a price greater than the par amount of the bonds) that was more than the estimate included in the Revised Pre-Sale Report provided to the District on December 18, 2024. As a result, the principal amount of the bonds was decreased from \$9,140,000 (in the Revised Pre-Sale Report and the Preliminary Official Statement) to \$8,980,000. This also caused a slight change in the True Interest Cost.

**NOTES:** The True Interest Cost of 4.03% is less than the 4.33% estimated in the Revised Pre-Sale Report provided to the District on December 18, 2024. As a result, the total principal and interest on the Certificates is approximately \$295,000 less than estimated in the Revised Pre-Sale Report.

The Certificates maturing April 1, 2034, and thereafter are callable April 1, 2033, or any date thereafter.

**CLOSING DATE:** February 13, 2025

**DESIGNATED OFFICIAL ACTION:** Because the True Interest Cost was below the maximum rate of 5.00% in the resolution approved by the School Board on November 21, the Director of Business Services accepted the proposal from the low bidder on January 16.

Adopt the resolution awarding the sale of \$8,980,000 Certificates of Participation, Series 2025A.

## **SUPPLEMENTARY ATTACHMENTS**

- Bid Tabulation
- Updated Sources and Uses of Funds
- Updated Debt Service Schedule
- Rating Reports
- Resolution Awarding the Sale of Certificates (Provided Separately)

## BID TABULATION

**\$9,140,000\* Certificates of Participation, Series 2025A**

**Independent School District No. 833 (South Washington County Schools), Minnesota**

**SALE: January 16, 2025**

**AWARD: KEYBANC CAPITAL MARKETS INCORPORATED**

**Rating:** Moody's Investor's Service "A2"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (April 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio	2026	5.000%	3.190%	\$9,463,046.25	4.0264%
	2027	5.000%	3.240%		
	2028	5.000%	3.280%		
	2029	5.000%	3.320%		
	2030	5.000%	3.360%		
	2031	5.000%	3.390%		
	2032	5.000%	3.440%		
	2033	5.000%	3.530%		
	2034	5.000%	3.590%		
	2035	5.000%	3.690%		
	2036	5.000%	3.770%		
	2037 <sup>1</sup>	4.000%	4.100%		
	2038 <sup>1</sup>	4.000%	4.100%		
	2039 <sup>2</sup>	4.000%	4.200%		
	2040 <sup>2</sup>	4.000%	4.200%		
FHN FINANCIAL CAPITAL MARKETS Memphis, Tennessee					4.0369%
BAIRD Milwaukee, Wisconsin					4.1478%

\* Subsequent to bid opening the issue size was decreased to \$8,980,000.

Adjusted Price: \$9,295,269.75      Adjusted Net Interest Cost: \$3,319,143.58      Adjusted TIC: 4.0276%

<sup>1</sup> \$1,460,000 Term Bond due 2038 with mandatory redemption in 2037.

<sup>2</sup> \$1,580,000 Term Bond due 2040 with mandatory redemption in 2039.

NAME OF BIDDER	TRUE INTEREST RATE
HILLTOPSECURITIES Dallas, Texas	4.3799%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	4.5486%

# RESULTS OF SALE OF CERTIFICATES

## South Washington County School District No. 833

\$8,980,000 Certificates of Participation, Series 2025A

Dated: February 13, 2025

### Sources & Uses

Dated 02/13/2025 | Delivered 02/13/2025

#### Sources Of Funds

Par Amount of Bonds	\$8,980,000.00
Reoffering Premium	409,559.75
<b>Total Sources</b>	<b>\$9,389,559.75</b>

#### Uses Of Funds

Total Underwriter's Discount (1.050%)	94,290.00
Costs of Issuance	102,775.00
Deposit to Project Construction Fund	9,192,494.75
<b>Total Uses</b>	<b>\$9,389,559.75</b>

## RESULTS OF SALE OF CERTIFICATES

### South Washington County School District No. 833

\$8,980,000 Certificates of Participation, Series 2025A

Dated: February 13, 2025

#### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/13/2025	-	-	-	-	-
10/01/2025	-	-	265,113.33	265,113.33	-
04/01/2026	405,000.00	5.000%	209,300.00	614,300.00	879,413.33
10/01/2026	-	-	199,175.00	199,175.00	-
04/01/2027	440,000.00	5.000%	199,175.00	639,175.00	838,350.00
10/01/2027	-	-	188,175.00	188,175.00	-
04/01/2028	460,000.00	5.000%	188,175.00	648,175.00	836,350.00
10/01/2028	-	-	176,675.00	176,675.00	-
04/01/2029	485,000.00	5.000%	176,675.00	661,675.00	838,350.00
10/01/2029	-	-	164,550.00	164,550.00	-
04/01/2030	510,000.00	5.000%	164,550.00	674,550.00	839,100.00
10/01/2030	-	-	151,800.00	151,800.00	-
04/01/2031	535,000.00	5.000%	151,800.00	686,800.00	838,600.00
10/01/2031	-	-	138,425.00	138,425.00	-
04/01/2032	560,000.00	5.000%	138,425.00	698,425.00	836,850.00
10/01/2032	-	-	124,425.00	124,425.00	-
04/01/2033	590,000.00	5.000%	124,425.00	714,425.00	838,850.00
10/01/2033	-	-	109,675.00	109,675.00	-
04/01/2034	620,000.00	5.000%	109,675.00	729,675.00	839,350.00
10/01/2034	-	-	94,175.00	94,175.00	-
04/01/2035	650,000.00	5.000%	94,175.00	744,175.00	838,350.00
10/01/2035	-	-	77,925.00	77,925.00	-
04/01/2036	685,000.00	5.000%	77,925.00	762,925.00	840,850.00
10/01/2036	-	-	60,800.00	60,800.00	-
04/01/2037	715,000.00	4.000%	60,800.00	775,800.00	836,600.00
10/01/2037	-	-	46,500.00	46,500.00	-
04/01/2038	745,000.00	4.000%	46,500.00	791,500.00	838,000.00
10/01/2038	-	-	31,600.00	31,600.00	-
04/01/2039	775,000.00	4.000%	31,600.00	806,600.00	838,200.00
10/01/2039	-	-	16,100.00	16,100.00	-
04/01/2040	805,000.00	4.000%	16,100.00	821,100.00	837,200.00
<b>Total</b>	<b>\$8,980,000.00</b>	<b>-</b>	<b>\$3,634,413.33</b>	<b>\$12,614,413.33</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars	\$81,007.33
Average Life	9.021 Years
Average Coupon	4.4865238%
Net Interest Cost (NIC)	4.0973372%
True Interest Cost (TIC)	4.0276060%
Bond Yield for Arbitrage Purposes	3.8388730%
All Inclusive Cost (AIC)	4.1837913%

#### IRS Form 8038

Net Interest Cost	3.8511179%
Weighted Average Maturity	8.918 Years

# MOODY'S

## RATINGS

### **Rating Action: Moody's Ratings affirms South Washington County ISD 833, MN's A1 issuer rating & assigns A2 COPS rating; outlook stable**

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10 Jan 2025

New York, January 10, 2025 -- Moody's Ratings (Moody's) has affirmed South Washington County Independent School District 833, MN's A1 issuer rating, the A1 rating on its outstanding general obligation unlimited tax (GOULT) bonds and the A2 rating on its outstanding certificates of participation (COPs). We also assigned an A2 rating to the district's Certificates of Participation, Series 2025A, with a proposed par amount of about \$9.1 million. The district's total outstanding debt is about \$384 million. A stable outlook has been assigned.

The assignment of the stable outlook reflects the district's strong economic trends and improving financial profile following a period of narrow reserves.

#### RATINGS RATIONALE

The A1 issuer rating reflects the district's favorable location in the Twin Cities metro area, with strong full value per capita that exceeds \$175,000 and resident income ratio of about 150%. Enrollment has been growing because of new residential developments and management expects this trend to continue over the next few years. After the current issuance, the district's long-term liabilities ratio will be around 240% and will increase again to roughly 280% over the next couple of years as voter-authorized debt is issued, which is in line with A medians. The fixed-costs ratio will grow but remain under 20%, which is moderate.

The district's financial profile will likely remain stable in fiscal 2025 (year-end June 30), supported by forward-looking budgeting practices and favorable revenue growth. The available fund balance ratio increased to about 15% from less than 10% during the last two years, but remains somewhat below than higher rated peers. The fiscal 2025 budget reflects a \$6 million draw in the general fund, however year-to-date results show balanced operations because enrollment is about 460 students higher than budget. Management is in the process of planning the fiscal 2026 budget and anticipates balanced operations going forward, supported by some planned

expenditure cuts and conservative budgeting.

The A1 GOULT rating is equivalent to the A1 issuer rating based on the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount.

The A2 rating on the annual appropriation COPs is one notch lower than the A1 issuer rating because of the risk of non-appropriation for lease payments and the more essential nature of the financed projects, which include school buildings.

#### RATING OUTLOOK

The outlook is stable because the district's economic and financial performance will continue to support a strong credit profile.

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

- Sustained maintenance of an available fund balance ratio closer to 20%
- Moderation of long-term liabilities ratio to levels under 200%

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

- Declines in the available fund balance ratio to levels closer to 10%
- Increase in the long-term liabilities ratio above 350%

#### LEGAL SECURITY

The district's GOULT bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The GOULT bonds are additionally backed by state statute. The GOULT bonds are also supported by the State of Minnesota's School District Credit Enhancement Program which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements

The district's COPs are backed by the district's annual appropriation pledge to make rental payments to the trustee under an annually renewable lease purchase agreement.

#### USE OF PROCEEDS

Proceeds of the 2025A COPS will finance acquisition and remodeling costs for an existing building to provide services for students in the special education transition program.

#### PROFILE

The district encompasses approximately 85 square miles and serves all or portions of the cities of Woodbury, Cottage Grove, Newport, Afton and St. Paul Park. The district is located in the Twin Cities metropolitan area, with an enrollment of roughly 19,000 students.

## METHODOLOGY

The principal methodology used in these ratings 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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**CREDIT OPINION**

10 January 2025



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# South Washington County ISD 833, MN

## Update to credit analysis

### Summary

[South Washington County Independent School District 833, MN](#) (A1) benefits from its favorable location in the Twin Cities metro area with strong resident incomes, strong full value per capita and growing enrollment trends that are expected to continue. The available fund balance ratio has been improving in recent years following a period of narrow reserves. Conservative budgeting practices and increasing local and state revenues will support a stable financial profile with reserves hovering around 15% of revenue in fiscal 2025, which is solid but below A medians. The long-term liabilities ratio is in line with A medians and will remain moderate despite future borrowing needs.

### Credit strengths

- » Strong local economy in the Twin Cities metro area with above average resident income and full value per capita
- » Growing enrollment
- » Strong local support for education through voter approved debt and operating levies

### Credit challenges

- » The available fund balance has improved but remains below A medians
- » Capacity challenges at facilities given growing enrollment
- » The long-term liabilities ratio is in line with A peers but will grow as the district issues the remaining voter approved debt

### Rating outlook

The outlook is stable because the district's economic and financial performance will continue to support a strong credit profile.

### Factors that could lead to an upgrade

- » Sustained maintenance of an available fund balance ratio closer to 20%
- » Moderation of long-term liabilities ratio to levels under 200%

### Factors that could lead to a downgrade

- » Declines in the available fund balance ratio to levels closer to 10%
- » Increase in the long-term liabilities ratio above 350%

## Key indicators

Exhibit 1

### South Washington County I.S.D. 833, MN

	2021	2022	2023	2024	A Medians
<b>Economy</b>					
Resident income	149.9%	151.5%	148.1%	N/A	95.7%
Full value (\$000)	\$13,986,796	\$15,705,855	\$18,423,903	\$19,601,090	\$1,315,322
Population	107,196	110,159	111,950	N/A	14,266
Full value per capita	\$130,479	\$142,574	\$164,573	N/A	\$95,408
Enrollment	19,001	18,994	19,159	19,360	1,838
Enrollment trend	0.1%	0.0%	-0.2%	0.6%	-1.4%
<b>Financial performance</b>					
Operating revenue (\$000)	\$294,264	\$303,866	\$317,880	\$356,872	\$31,151
Available fund balance (\$000)	\$18,078	\$27,379	\$34,524	\$55,051	\$7,998
Net cash (\$000)	\$58,506	\$79,941	\$76,801	\$107,338	\$8,915
Available fund balance ratio	6.1%	9.0%	10.9%	15.4%	26.4%
Net cash ratio	19.9%	26.3%	24.2%	30.1%	32.5%
<b>Leverage</b>					
Debt (\$000)	\$337,157	\$349,750	\$323,313	\$424,917	\$23,604
ANPL (\$000)	\$757,654	\$685,390	\$495,601	\$450,695	\$48,858
OPEB (\$000)	\$4,027	\$13,292	\$13,444	\$14,090	\$3,281
Long-term liabilities ratio	373.4%	345.0%	261.8%	249.3%	316.8%
Implied debt service (\$000)	\$25,779	\$23,648	\$24,426	\$22,459	\$1,599
Pension tread water (\$000)	\$15,916	\$11,962	\$17,898	N/A	\$883
OPEB contributions (\$000)	\$33	\$858	\$1,110	\$984	\$148
Fixed-costs ratio	14.2%	12.0%	13.7%	11.6%	10.6%

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K12 Median Report](#).

Sources: US Census Bureau, South Washington County I.S.D. 833, MN's financial statements and Moody's Ratings

## Profile

The district encompasses approximately 85 square miles and serves all or portions of the cities of Woodbury, Cottage Grove, Newport, Afton and St. Paul Park. The district is located in the Twin Cities metropolitan area, with an enrollment of roughly 19,000 students.

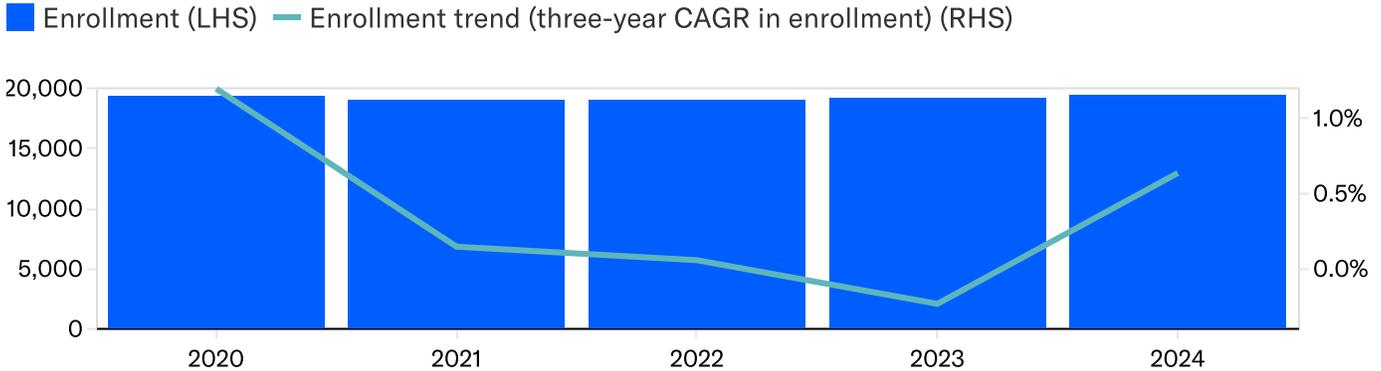
## Detailed credit considerations

### Economy: strong local economy close to the Twin Cities, growing enrollment

The district's local economy will continue benefiting from its location within the Twin Cities metropolitan area with strong resident incomes and strong full value per capita, both of which are well above the A medians at around 148% and \$175,000 respectively. The district's population has been growing and management expects the trend to continue because of substantial new residential development underway. As such, the district expects that enrollment will continue to grow for the next five years, which is consistent with the recent trend (see exhibit 2). Fiscal 2025 year to date results reflects an increase of around 460 students compared to the budgeted figure.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Exhibit 2  
**Growing enrollment trend**



Source: South Washington ISD's audited financial statement and Moody's Ratings

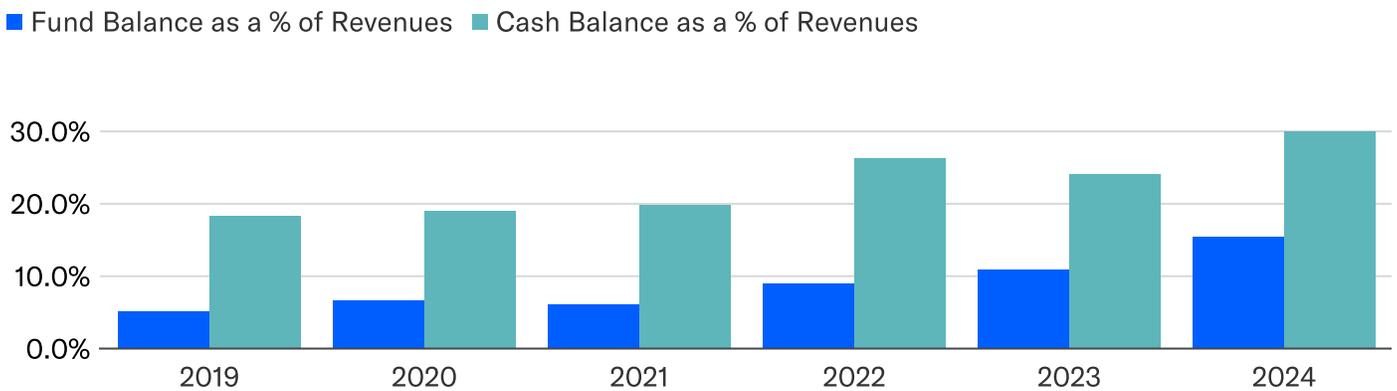
**Financial operations: solid reserves expected to remain stable**

The available fund balance ratio recently increased to about 15% following a period of narrow financial reserves. Increasing local and state revenue sources combined with expenditure cuts will likely support a stable financial profile for at least the next two years. Fiscal 2024 (year-end June 30th) closed with a \$6.5 million surplus in the general fund, driven by increased state aid due to growing enrollment, increased special education cross subsidies, and favorable investment income. Across operating funds (general and debt service) available fund balance is solid, though weaker than A medians, at 15% of revenue, while cash is stronger at 30% of revenue (see exhibit 3).

The fiscal 2025 budget reflects a \$6 million draw in the general fund, however year to date results reflect close to balanced operations because of higher than budgeted state aid driven by a favorable enrollment variance of about 460 students and conservative budgeting. Management is in the process of planning the fiscal 2026 budget, but anticipates balanced operations going forward, supported by an estimated \$3.2 million in expenditure cuts and conservative budgeting.

The district's operating levy was increased by voters in 2021 bringing in nearly \$7 million additional revenue annually beginning in fiscal year 2023. In November 2023 voters approved an increase in the capital projects levy authority, with \$5 million beginning with fiscal 2025, and an increase of around \$2.5 million annually. The district does not plan on increasing any additional levies in the near term.

Exhibit 3  
**Growing fund balance will remain stable going forward**



Source: South Washington ISD's audited financial statements and Moody's Ratings

**Liquidity**

Fiscal 2024 closed with around \$107 million in cash, which is around 30% of operating revenues.

**Leverage: leverage expected to grow but remain in line with A medians**

The district's long-term liabilities ratio will grow as it issues the remaining voter-approved debt but it will remain moderate due to growing revenues. The district is in the process of issuing about \$9.1 million in Certificates of Participation (COPS), which will increase the total long-term liabilities to just over 240% of revenue. The district has nearly \$101 million in remaining GOULT debt plans that voters approved in November 2023. The district plans to issue the remaining authority during the 2026 calendar year, along with \$28 million in Long-term Facilities Maintenance (LTFM) GOULT bonds. Incorporating these issuances, the long-term liabilities ratio increases to roughly 280% of revenue, which is still in line with A medians.

**Legal security**

The district's GOULT bonds are supported by the district's full faith and credit pledge and the authority to levy a dedicated property tax unlimited as to rate and amount. The GOULT bonds are additionally backed by state statute. The GO bonds are also supported by the State of Minnesota's School District Credit Enhancement Program which provides for an unlimited advance from the state's general fund should the district be unable to meet debt service requirements.

The district's COPS are backed by the district's annual appropriation pledge to make rental payments to the trustee under an annually renewable lease purchase agreement.

**Debt structure**

All of the district's debt is fixed rate. Along with \$358 million in GOULT debt outstanding, and \$9.9 million in capital leases, the district has a total of \$19.9 million of rated outstanding COPS (A2), Series 2016D, Series 2017A and Series 2025A. The certificates are backed by lease payments equal to debt service from the district directly to the trustee, subject to annual appropriation. Under the terms of the agreement, the district is required to make the appropriated annual payments directly to the trustee at least three business days prior to each interest and principal payment date. The trustee has the right to take possession of the elementary school (2016D), middle school addition (2017A), and special education building (2025A) upon nonrenewal of the lease-purchase agreement.

**Debt-related derivatives**

The district is not a party to any debt-related derivatives.

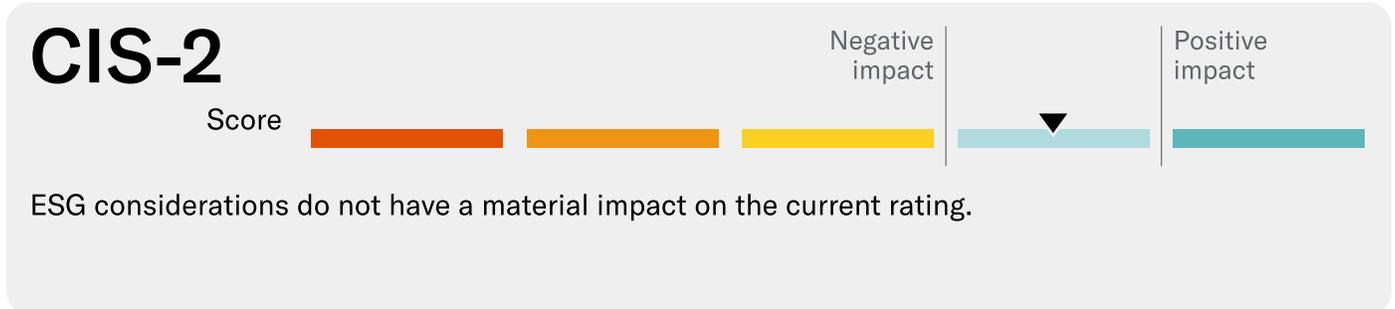
**Pensions and OPEB**

The district participates in two multiple-employer cost-sharing plans, the General Employees Retirement Fund (GERF) and the Teachers Retirement Association of Minnesota (TRA). Minnesota school districts' ANPLs are primarily attributable to their participation in the Teachers Retirement Association of Minnesota (TRA). Based on TRA's reporting, we expect Minnesota school districts' ANPLs to decline by about 8% in fiscal 2024. While results will vary across US public pension systems, we generally expect local governments' fiscal year 2025 ANPLs to fall by another 20% based on our aggregate estimates, due to rising interest rates and above-target investment returns in 2024. As of the TRA's fiscal 2023 reporting, government contributions in aggregate amounted to almost 10% of payroll, below our tread water indicator, which amounted to around 13% of payroll.

## ESG considerations

South Washington County I.S.D. 833, MN's ESG credit impact score is CIS-2

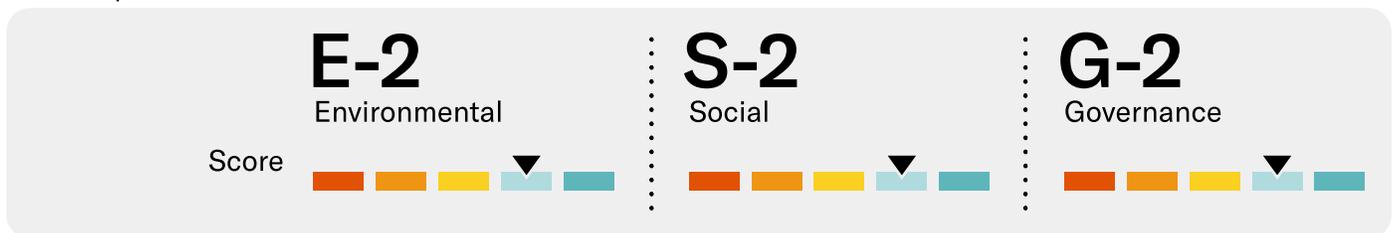
Exhibit 4  
ESG credit impact score



Source: Moody's Ratings

South Washington County Independent School District 833's ESG Credit Impact Score of **CIS-2** indicates that ESG considerations have a neutral-to-low impact on its credit rating, reflecting neutral to low exposure to environmental, social and governance risks.

Exhibit 5  
ESG issuer profile scores



Source: Moody's Ratings

### Environmental

South Washington County Independent School District 833's E Issuer Profile Score is neutral-to-low (**E-2**), reflecting neutral-to-low exposure to most environmental risks categories, including physical climate risk, carbon transition, water management, natural capital and waste and pollution.

### Social

South Washington County Independent School District 833's S Issuer Profile Score is neutral-to-low (**S-2**), reflecting neutral-to-low exposure to social risks in some categories including labor and income, access to basic services, and housing. The district has positive exposure to demographics, education, and health and safety. The district has an above-average life expectancy and low violent crime rate. The district's population has increased by over 10% in the last 10 years and the percentage of population that is of school age is materially above average compared to the nation. Educational attainment metrics are materially above average compared to the nation, as it has both a high graduation cohort rate and a large percentage of the population has a bachelor's degree or higher.

### Governance

South Washington County Independent School District 833's G Issuer Profile Score is neutral to low (**G-2**). The district's transparency and disclosure is in line with peers, reflected in timely filing of audited financial statements and budgets. The district's capture rate (the percentage of school-aged children within the district's boundaries who attend the district) is average. The institutional structure in Minnesota is typical for the school district sector with the state controlling the bulk of school district revenue through a per-pupil funding formula and districts can also go to voters for an additional levying authority up to cap.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The US K-12 Public School Districts Methodology includes a scorecard, a tool providing a composite score of a school district's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare school district credits.

The assigned rating is lower than the scorecard indicated outcome because of other considerations not included in scorecard metrics, which include expectations for leverage to increase.

Exhibit 6

### South Washington County I.S.D. 833, MN

	Measure	Weight	Score
<b>Economy</b>			
Resident Income (MHI Adjusted for RPP / US MHI)	148.1%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	175,088	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	0.6%	10.0%	Aa
<b>Financial performance</b>			
Available fund balance ratio (available fund balance / operating revenue)	15.4%	20.0%	A
Net cash ratio (net cash / operating revenue)	30.1%	10.0%	Aaa
<b>Institutional framework</b>			
Institutional Framework	A	10.0%	A
<b>Leverage</b>			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	243.0%	20.0%	Aa
Fixed-costs ratio (adjusted fixed costs / operating revenue)	11.6%	10.0%	Aaa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
<b>Assigned Rating</b>			<b>A1</b>

The complete list of outstanding ratings assigned to the South Washington County I.S.D. 833, MN is available on their [issuer page](#). Details on the current ESG scores assigned to the South Washington County I.S.D. 833, MN are available on their [ESGView page](#).

Sources: US Census Bureau, South Washington County I.S.D. 833, MN's financial statements and Moody's Ratings

## Appendix

Exhibit 7

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value (\$000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Ratings
<b>Financial performance</b>		
Operating revenue (\$000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Available fund balance (\$000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash (\$000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
<b>Leverage</b>		
Debt (\$000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL (\$000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
OPEB (\$000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Ratings
Implied debt service (\$000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water (\$000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contributions (\$000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US K-12 Public School Districts Methodology](#).

Source: Moody's Ratings

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