October 25, 2021

SALE DAY REPORT FOR:

Independent School District No. 877 (Buffalo-Hanover-Montrose), Minnesota

$7,980,000 General Obligation School Building Refunding Bonds, Series 2021A

Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

COMPETITIVE SALE RESULTS

Purpose:	To finance the current refunding of the 2023 and 2024 maturities of the District's $31,215,000 General Obligation Refunding Bonds, Series 2012A.
Rating:	**MN Credit Enhancement Rating:** Moody's Investor's Service "Aa2" **Underlying Rating:** Moody's Investor's Service "Aa2"
Number of Bids:	4
Low Bidder:	Piper Sandler & Co., Minneapolis, Minnesota

Comparison from Lowest to Highest Bid: (TIC as bid)

Low Bid	0.3703%
High Bid	0.4681%
Interest Difference	**$14,197**

Summary of Sale Results:

Principal Amount*:	$7,980,000
Underwriter's Discount:	$3,360
Reoffering Premium:	$627,314
True Interest Cost:	0.3703%
Costs of Issuance:	$67,050
Yield:	0.25% - 0.40%
Future Value Savings:	$395,596
Present Value Savings:	$392,399
Savings Percentage:	4.361%
Total Net P&I:	$8,655,004

** The winning bidder submitted a bid with a premium price (a price greater than the par amount of the bonds) that was larger than the estimates in the Revised Pre-Sale Report. A portion of the net premium (reoffering premium minus underwriter's discount) was used to reduce the bond amount. As a result, the principal amount of the bonds was reduced from $8,145,000 (in the Revised Pre-Sale Report and the Preliminary Official Statement) to $7,980,000.*

Notes:	The True Interest Cost of 0.37% is lower than the 0.64% estimated in the Revised Pre-Sale Report provided to the District on September 29. As a result, the future value savings of $395,596 is greater than the estimate of $356,764 in the Revised Pre-Sale Report. The net present value of savings as a percentage of refunded debt service is 4.36%.
Closing Date:	November 18, 2021
School Board Action:	Adopt the Resolution Awarding the Sale of $7,980,000 General Obligation School Building Refunding Bonds, Series 2021A.

Supplementary Attachments

- ✓ Bid Tabulation
- ✓ Updated Sources and Uses of Funds
- ✓ Existing Debt Service Schedule – Callable Portion of 2012A Bonds
- ✓ Updated Debt Service Schedule for the Refunding Bonds
- ✓ Updated Debt Service Comparison/Refunding Savings Analysis
- ✓ Rating Reports
- ✓ Resolution Awarding Sale of Refunding Bonds (Distributed Separately)

BID TABULATION

$7,980,000 General Obligation School Building Refunding Bonds, Series 2021A

Independent School District No. 877 (Buffalo-Hanover-Montrose), Minnesota

SALE: October 25, 2021

AWARD: PIPER SANDLER & CO.

MN Credit Enhancement Rating: Moody's Investor's Service "Aa2"
Underlying Rating: Moody's Investor's Service "Aa2"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER SANDLER & CO.				$8,781,791.40	$54,039.85	0.3703%
Minneapolis, Minnesota	2023	5.000%	0.250%			
	2024	5.000%	0.400%			
J.P. MORGAN SECURITIES LLC				$8,781,779.85	$54,051.40	0.3704%
New York, New York						
NORTHLAND SECURITIES, INC.				$8,768,487.90	$67,343.35	0.4619%
Minneapolis, Minnesota						
BAIRD				$8,767,594.65	$68,236.60	0.4681%
Milwaukee, Wisconsin						

* Subsequent to bid opening the individual maturity amounts were adjusted.

Adjusted Price - $8,603,954.26 Adjusted Net Interest Cost - $52,954.07 Adjusted TIC - 0.3703%

I.S.D. No. 877 (Buffalo, Hanover, Montrose), MN

$7,980,000 General Obligation School Building Refunding Bonds, Series 2021A
Dated: November 18, 2021
Current Refunding of Series 2012A

Sources & Uses

Dated 11/18/2021 | Delivered 11/18/2021

Sources Of Funds

Par Amount of Bonds	$7,980,000.00
Reoffering Premium	627,313.80
Total Sources	**$8,607,313.80**

Uses Of Funds

Total Underwriter's Discount (0.042%)	3,359.54
Costs of Issuance	67,050.00
Deposit to Current Refunding Fund	8,535,000.00
Rounding Amount	1,904.26
Total Uses	**$8,607,313.80**

I.S.D. No. 877 (Buffalo, Hanover, Montrose), MN

$8,535,000 - Purpose One

Crossover Refunding of Series 2003B

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2022	-	-	-	-	-
08/01/2022	-	-	170,700.00	170,700.00	-
02/01/2023	4,180,000.00	4.000%	170,700.00	4,350,700.00	4,521,400.00
08/01/2023	-	-	87,100.00	87,100.00	-
02/01/2024	4,355,000.00	4.000%	87,100.00	4,442,100.00	4,529,200.00
Total	**$8,535,000.00**	**-**	**$515,600.00**	**$9,050,600.00**	**-**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/18/2021
Average Life	1.713 Years
Average Coupon	4.0000000%
Weighted Average Maturity (Par Basis)	1.713 Years
Weighted Average Maturity (Original Price Basis)	1.713 Years

Refunding Bond Information

Refunding Dated Date	11/18/2021
Refunding Delivery Date	11/18/2021

I.S.D. No. 877 (Buffalo, Hanover, Montrose), MN

$7,980,000 General Obligation School Building Refunding Bonds, Series 2021A

Dated: November 18, 2021

Current Refunding of Series 2012A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/18/2021	-	-	-	-	-
08/01/2022	-	-	280,408.33	280,408.33	-
02/01/2023	4,040,000.00	5.000%	199,500.00	4,239,500.00	4,519,908.33
08/01/2023	-	-	98,500.00	98,500.00	-
02/01/2024	3,940,000.00	5.000%	98,500.00	4,038,500.00	4,137,000.00
Total	**$7,980,000.00**	**-**	**$676,908.33**	**$8,656,908.33**	**-**

Yield Statistics

Bond Year Dollars	$13,538.17
Average Life	1.697 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	0.3911465%
True Interest Cost (TIC)	0.3703501%
Bond Yield for Arbitrage Purposes	0.3467595%
All Inclusive Cost (AIC)	0.8438876%

IRS Form 8038

Net Interest Cost	0.3376139%
Weighted Average Maturity	1.707 Years

I.S.D. No. 877 (Buffalo, Hanover, Montrose), MN

$7,980,000 General Obligation School Building Refunding Bonds, Series 2021A
Dated: November 18, 2021
Current Refunding of Series 2012A

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2022	-	(1,904.26)	-	1,904.26
02/01/2023	4,519,908.33	4,519,908.33	4,521,400.00	1,491.67
02/01/2024	4,137,000.00	4,137,000.00	4,529,200.00	392,200.00
Total	**$8,656,908.33**	**$8,655,004.07**	**$9,050,600.00**	**$395,595.93**

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....................	390,494.66
Net PV Cashflow Savings @ 0.347%(Bond Yield).....	390,494.66
Contingency or Rounding Amount....................	1,904.26
Net Present Value Benefit	$392,398.92
Net PV Benefit / $8,997,808.46 PV Refunded Debt Service	4.361%
Net PV Benefit / $8,535,000 Refunded Principal...	4.598%
Net PV Benefit / $7,980,000 Refunding Principal..	4.917%

Refunding Bond Information

Refunding Dated Date	11/18/2021
Refunding Delivery Date	11/18/2021

MOODY'S INVESTORS SERVICE

Rating Action: Moody's assigns Aa2 to Buffalo-Hanover-Montrose ISD 877, MN's GO

20 Oct 2021

New York, October 20, 2021 -- Moody's Investors Service has assigned a Aa2 underlying rating and a Aa2 enhanced rating to the Buffalo-Hanover-Montrose ISD No. 877, MN's $8.1 million General Obligation School Building Refunding Bonds, Series 2021A. Moody's maintains a Aa2 issuer rating and Aa2 underlying rating on the district's outstanding general obligation unlimited tax (GOULT) debt. The issuer rating reflects the district's ability to repay debt and debt-like obligations without consideration of any pledge, security, or structural features. The district has $51 million of GOULT debt outstanding.

RATINGS RATIONALE

The Aa2 issuer rating reflects the district's strong resident income and growing economy located in the outer suburbs of the Twin Cities, healthy reserves, and a relatively high long-term liabilities ratio with low fixed costs. The rating also incorporates a recent trend of modest enrollment decline due to pandemic impacts that will likely improve with continued development in the district.

The Aa2 rating on the district's GOULT bonds is equivalent to the Aa2 issuer rating based on the district's unlimited property tax that is dedicated to debt service.

The enhanced rating reflects the additional security provided by the State of Minnesota's School District Credit Enhancement (MSDCE) Program. The Aa2 enhanced programmatic rating is notched once from the State of Minnesota's Aa1 general obligation unlimited tax (GOULT) rating and the enhancement program carries a positive outlook, reflecting the positive outlook on the State of Minnesota. The enhanced rating reflects sound program mechanics and the State of Minnesota's pledge of an unlimited appropriation from its General Fund should the district be unable to meet debt service requirements. The program's mechanics include a provision for third party notification of pending deficiency. If the school district does not transfer funds necessary to pay debt to the paying agent at least three days prior to the payment due date, the state will appropriate the payment to the paying agent directly. Moody's has received a copy of the signed program applications.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Material increases in financial reserves

- Significant moderation of leverage

- Upward movement in State of Minnesota's School District Credit Enhancement program rating (enhanced)

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Reduction in financial reserves

- Material growth in leverage

- Downward movement in the State of Minnesota's School District Credit Enhancement program rating (enhanced)

- Weakening of the credit enhancement program mechanics (enhanced)

LEGAL SECURITY

The general obligation unlimited tax (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 bonds are additionally secured by 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.

USE OF PROCEEDS

Proceeds from the Series 2021A bonds will be used to refund a portion of the district's outstanding General Obligation Bonds, Series 2012A for savings. There is no extension of the final maturity.

PROFILE

Buffalo-Hanover-Montrose Independent School District 877 is located approximately 35 miles northwest of the Minneapolis - St. Paul metropolitan area. The district encompasses 157 square miles and serves a resident population of nearly 34,000. The district provides education for over 5,000 students in grades kindergarten through twelve.

METHODOLOGY

The principal methodology used in the underlying rating was US K-12 Public School Districts Methodology published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1202421. The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings published in December 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1067422 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

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 at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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CREDIT OPINION
21 October 2021

Rate this Research

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Buffalo-Hanover-Montrose ISD 877, MN

Update to credit analysis

Summary

Buffalo-Hanover-Montrose ISD 877, MN's (Aa2) has a strong credit profile that benefits from its location near the Twin Cities metro area. Resident income is strong and population continues to grow. Reserves are expected to remain strong as collections begin on a new operating levy and receipt of federal stimulus funding. Enrollment has been somewhat weak due to the pandemic but is expected to improve. These attributes are weighed against above-average long term liabilities.

Credit strengths

» Affluent residential base near the Twin Cities metro area

» Healthy reserves and liquidity

Credit challenges

» Enrollment trend is somewhat weak

» Above-average leverage compared to peers

Rating outlook

Outlooks are typically not assigned to local governments with this amount of debt.

Factors that could lead to an upgrade

» Material increases in financial reserves

» Significant moderation of leverage

Factors that could lead to a downgrade

» Reduction in financial reserves

» Material growth in leverage

Key indicators

Exhibit 1

Buffalo-Hanover-Montrose I.S.D. 877, MN

	2017	2018	2019	2020	Aa Medians
Economy					
Resident income	131.6%	131.7%	127.1%	N/A	120.3%
Full value ($000)	$3,543,156	$3,613,479	$3,830,358	$4,088,549	$3,767,803
Population	33,404	33,709	33,830	N/A	32,239
Full value per capita	$106,070	$107,196	$113,224	N/A	$110,286
Enrollment	5,846	5,821	5,860	5,832	4,353
Enrollment trend	N/A	N/A	0.2%	-0.1%	0.1%
Financial performance					
Operating revenue ($000)	$70,066	$72,114	$75,121	$76,056	$70,864
Available fund balance ($000)	$17,436	$16,035	$15,310	$16,327	$17,424
Net cash ($000)	$21,252	$26,443	$19,349	$22,670	$20,807
Available fund balance ratio	24.9%	22.2%	20.4%	21.5%	26.1%
Net cash ratio	30.3%	36.7%	25.8%	29.8%	31.0%
Leverage					
Debt ($000)	$74,904	$74,923	$63,392	$59,547	$48,829
ANPL ($000)	$200,671	$183,196	$137,139	$162,628	$92,102
OPEB ($000)	$189	$128	$290	$988	$10,438
Long-term liabilities ratio	393.6%	358.1%	267.3%	293.4%	280.7%
Implied debt service ($000)	$5,957	$5,564	$5,520	$4,622	$3,402
Pension tread water ($000)	$4,464	$4,099	$3,658	$3,698	$3,018
OPEB contributions ($000)	$142	$325	$375	$286	$440
Fixed-costs ratio	15.1%	13.8%	12.7%	11.3%	11.9%

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, Buffalo-Hanover-Montrose I.S.D. 877, MN's financial statements and Moody's Investors Service

Profile

Buffalo-Hanover-Montrose Independent School District 877 is located approximately 35 miles northwest of the Minneapolis – St. Paul metropolitan area. The district encompasses 157 square miles and serves a resident population of nearly 34,000. The district provides education for over 5,000 students in grades kindergarten through twelve.

Detailed credit considerations

Economy: affluent residential base in outer suburbs of the Twin Cities

The district's affluent economic base near the Twin Cities will remain a credit strength, particularly given its growing population and ongoing development and increase in wealth. The tax base has grown at an average annual rate of 6.3% over the past five years. The district is predominantly residential (63% of net tax capacity), and management reports that plans are underway for construction of over 400 single family homes in the district. Resident income is strong at 127% of the nation.

The enrollment trend for the district is slightly negative, largely due to recent impacts of the pandemic but also some established competition from surrounding schools. The district is bordered by nine other school districts which partially facilitates the negative net open enrollment of about 600 students in the most recent school year. We expect the enrollment trend will improve as impacts from the pandemic subside and new homes are constructed. Funding for Minnesota school districts is closely tied to enrollment.

Financial operations: healthy financial profile

We expect the district's financial profile to remain healthy following voter approval of a new operating levy and recent federal stimulus funding. The district closed fiscal 2020 with a $1.1 million operating surplus, increasing the available operating fund (general and debt service funds) balance to $16.3 million or a healthy 22% of revenue. Draft fiscal 2021 results indicate a $2.1 million surplus. Property tax revenue increased by over $4 million due to collections beginning on a new $750 per student operating levy approved by voters in 2019. The district also received over $600,000 in federal coronavirus relief aid. These new revenues significantly muted any negative budgetary impact from enrollment loss due to the pandemic, which was also offset by savings in transportation and supplies. State aid is the district's main revenue source at 75% of fiscal 2020 operating revenue and is based on enrollment.

For fiscal 2022, management anticipates a modest surplus based on year-to-date operations. The district is also benefitting from additional federal coronavirus relief aid totaling over $3 million, which it will use over the next few years.

Liquidity
The district's net cash position in its operating fund was $22.7 million, or a healthy 30% of operating revenue at the close of fiscal 2020. Draft financial statements for fiscal 2021 reflect an improved cash position of $26.5 million.

Leverage: above-average leverage
The district's leverage is above average due to recent growth in the pension burden. The ratio of long-term liabilities (Debt + ANPL + OPEB) to operating revenues is 293%, with pensions accounting for about 75% of total leverage. The bulk of Minnesota school districts' pension exposure is associated with the Teachers Retirement Association (MN TRA), and districts typically report their pension information with a lag. The district's fiscal 2020 reporting reflects its share of MN TRA's liabilities as of June 2019. Based on the MN TRA in aggregate, we project that the district's ANPL will rise by 28% in fiscal 2021, driven by declining market interest rates, before falling by around 15% in fiscal 2022 due to exceptional investment performance.

The district's debt burden will likely decline given rapid amortization of outstanding debt with limited plans for additional borrowing. The debt burden accounts for about a quarter of total leverage. The district is issuing Series 2021A refunding bonds for savings but does not have plans for any new debt. Management reports that buildings are in good condition and there are no major capital needs on the horizon. Favorably, fixed costs are moderate at 11% of operating revenue.

Legal security
The general obligation unlimited tax (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 bonds are additionally secured by 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.

Debt structure
All of the district's debt is fixed rate with 100% of principal amortized over the next ten years.

Debt-related derivatives
The district is not a party to any interest rate swap agreements.

Pensions and OPEB
Unfunded pension liabilities represent a material but manageable risk for the district. The district participates in two multi-employer cost sharing plans, the General Employees Retirement Fund and Teachers Retirement Association of Minnesota. The plans use a 7.5% discount rate, which remains slightly high despite gradual decreases over the last several years. In 2018, the state legislature enacted reforms to reduce benefits and increase contributions.

The district's adjusted net OPEB liability is very modest at $988,000. The district issued $10.8 million of OPEB bonds in 2009, creating an irrevocable OPEB trust to pre-fund its benefit obligations.

ESG considerations

Environmental
Environmental considerations are not a material driver of the district's credit profile. According to data of Moody's affiliate, Four Twenty-Seven, Wright County (where the district is located) has relatively high exposure to water stress compared to counties nationally. The county maintains a water supply management plan that helps mitigate the risk of material near term impact on the district.

Social

Social considerations such as demographics, labor force, income and education are material considerations that influence the district's economy, demographic, financial and leverage trends. The district's poverty rate of 6% is well below the national average. As of August 2021, Wright county's unemployment rate of 2.9% was below the state (3.4%) and nation (5.3%).

Governance

District management trimmed expenses and achieved voter approval of a new operating levy in 2019 to successfully reverse a prior trend of declining general fund balances. The $750 per pupil operating levy passed with 59% approval and relatively high turnout in November 2019. The levy will expire after five years unless renewed by voters. The district has a formally adopted policy to maintain an unassigned general fund balance equal to 8-12% of current year budgeted expenditures.

Minnesota school districts have an Institutional Framework score [1] of A. The state controls the bulk of school district revenue through a per-pupil funding formula.
disbursements in the past. Districts can generate a moderate amount of additional locally determined revenue with the ability to access up to $724 per pupil of local optional revenue, with most districts accessing the full amount. Districts can also go to voters for an additional operating referendum authority up to the standard referendum cap, which is about $1,800 per pupil and increases with inflation.

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.

Exhibit 2

Buffalo-Hanover-Montrose I.S.D. 877, MN

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	127.1%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	130,407	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	-1.9%	10.0%	A
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	21.5%	20.0%	Aa
Net cash ratio (net cash / operating revenue)	29.8%	10.0%	Aaa
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	293.4%	20.0%	A
Fixed-costs ratio (adjusted fixed costs / operating revenue)	11.3%	10.0%	Aaa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa3
Assigned Rating			**Aa2**

Sources: US Census Bureau, Buffalo-Hanover-Montrose I.S.D. 877, MN's financial statements and Moody's Investors Service

Appendix

Exhibit 3
Key Indicators Glossary

	Definition	Typical Source*
Economy		
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 Investors Service
Financial performance		
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
Leverage		
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 Investors Service
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 Investors Service
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Investors Service
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 Investors Service
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 Investors Service
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 Investors Service

Endnotes

1 The institutional framework score categorically assesses whether a district has the legal ability to raise the bulk of its operating revenue at the local level or if the state determines the bulk of its operating revenue. Beyond the local versus state categorization, the strength of the institutional framework score is a measure of the district's flexibility in raising additional locally determined operating revenue. See US K-12 Public School Districts Methodology for more details.

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