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Rating Action: Moody's assigns Aa3 to Hartford Joint School District 1, WI's GO bonds

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New York, February 12, 2019 -- Moody's Investors Service has assigned a Aa3 rating to Hartford Joint School District 1, WI's $5.5 million General Obligation School Building and Improvement Bonds. Moody's maintains the Aa3 rating on the district's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the district will have $12.7 million of outstanding GOULT debt.

RATINGS RATIONALE

The Aa3 reflects the district's growing tax base near the city of Milwaukee (A1 stable), above-average resident wealth and income, healthy financial operations, a low debt burden and moderate pension liabilities. The rating also reflects the district's limited revenue raising flexibility under the state per pupil revenue formula and modest enrollment declines projected over the next five years.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE

- Substantial expansion of the district's tax base

- Sustained, steady growth in financial reserves and/or liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Significant tax base contraction and/or weakening of resident wealth and income

- Reductions in reserves and/or liquidity

- Significant growth in the district's debt burden

LEGAL SECURITY

All of the district's general obligation (GO) debt, including the current bonds, are secured by the district's general obligation unlimited tax (GOULT) pledge which benefits from a dedicated property tax levy not limited by rate or amount.

USE OF PROCEEDS

Proceeds of the bonds will finance the construction of additions for instructional space, infrastructure and capital maintenance improvements and acquiring related furnishings, fixtures and equipment.

PROFILE

The Hartford Joint School District 1 is located primarily within Dodge County (Aa2) and Washington County (Aaa), approximately 40 miles northwest of Milwaukee. The district provides pre-kindergarten through eighth grade education for 2,010 students in a community of an estimated 18,000 residents.

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.moodys.com for a copy of this methodology.

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