MOODY'S RATINGS

Rating Action: Moody's Ratings assigns Aaa to Waukesha County Area Technical College District, WI's Series 2025C GO notes

30 Sep 2025

New York, September 30, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Waukesha County Area Technical College District, WI's General Obligation Promissory Notes, Series 2025C, with a proposed par amount of about $4.7 million. We maintain the Aaa rating on the district's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the district will have about $26.5 million in GOULT debt outstanding.

RATINGS RATIONALE

The Aaa GOULT rating reflects the district's large, diverse tax base in southeast Wisconsin, solid financial position with net current assets equal to about 36% of revenue and unrestricted liquidity of about 48% of revenue. The district also maintains additional liquidity in long-term investments, equal to about 30% of revenue. The fiscal 2025 budget includes a less than a $1 million operating deficit but officials anticipate at least balanced operations as was the case in fiscal 2024. The district has a strong and demonstrated ability to manage expenditures, which will continue to support solid financial performance despite its limited revenue-raising ability.

Overall leverage is relatively low, with a combined debt and pension burden equal to about 120% revenue. Enrollment has declined over the past decade but increased about 3% in fiscal 2025 and trends will likely remain strong following the closure of the University of Wisconsin-Milwaukee's Waukesha campus in 2025.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not Applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Narrowing of operating reserves or liquidity below similarly rated peers

- Growth in the combined debt and pension burdens to above 3x operating revenues

PROFILE

Waukesha County Area Technical College District is one of sixteen technical colleges administered by the State of Wisconsin. It offers career and technical education, as well as associate degree programs, at its main campuses in the City of Pewaukee and the City of Waukesha.

METHODOLOGY

The principal methodology used in this rating was US Special Purpose District General Obligation Debt published in February 2025 and available at https://ratings.moodys.com/rmc-documents/437940. 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.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

Amy Hellmann
Lead Analyst

Gera McGuire
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653
