

Research Update:

Beaver Dam Unified School District, WI GO Promissory Notes Rated 'A+'; Outlook Is Stable

February 26, 2026

Overview

- S&P Global Ratings assigned its 'A+' long-term rating to [Beaver Dam Unified School District](#) (USD), Wis.' \$71 million general obligation (GO) promissory notes dated 2026.
- At the same time, S&P Global Ratings affirmed its 'A+' underlying rating on the district's GO debt outstanding.
- The outlook is stable.

Rationale

Security

The notes are secured by the district's full-faith-and-credit pledge and ability to levy unlimited ad valorem property taxes. The district will use \$71 million (from the original authorization of \$107 million) to finance the second phase of the school building and facility improvement project, which includes the construction of a new middle school, improvement of Washington Elementary, safety and accessibility enhancements districtwide, and the acquisition of necessary furnishings and equipment. Following this issuance, the district will have \$9 million of authorization remaining, which management expects to issue in early 2027 to complete the final phase of the project.

Credit highlights

The 'A+' rating reflects our opinion of the district's strong track record of balanced-to-positive financial performance, effective management team, and sound reserves, offset by a somewhat limited local economy and elevated debt burden. Although the district has been experiencing ongoing enrollment declines, we do not view this as a credit pressure as management has managed staffing and expenditures effectively and the trend has not materially affected operations.

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Beaver Dam USD reported modest surpluses over the past few years, which management attributes to conservative budgeting practices and shifting of maintenance and capital costs to other available funding sources, when possible. Unaudited results for fiscal 2025 show a small surplus of \$148,000 (0.3% of general fund revenue), outperforming management's previous expectations of a \$50,000 surplus. The district has adopted a balanced budget for fiscal 2026, which management indicates is tracking accurately to date. Although enrollment declines have continued, we believe management's proactive approach to cost controls and staffing levels will allow the district to maintain at least balanced operations despite headwinds. Management has no plans to further spend down available fund balances in the medium term, which we consider nominally large relative to those of peers, although somewhat lower than the median on a percentage basis.

The rating further reflects our view of the district's:

- Somewhat limited local economy, although with some notable growth in the past year, highlighted by a new manufacturing facility for Generac and a large Meta-affiliated data center. Dodge County's per capita gross county product remains approximately in line with that of peers at the rating level, at 64% of the national level, with per capita personal income at 80%. We continue to view the district's proximity to Madison, Milwaukee, and Fond du Lac as a credit strength. Incomes are in line with those of the county and somewhat below the national average on both a median household and per capita basis.
- Continued trend of positive operations despite ongoing challenges related to declining enrollment. The board has prioritized maintaining balanced operations, and we believe the district will continue to exhibit stable finances and sustain sound reserves over the medium term.
- Experienced management team, with conservative and realistic budgeting practices, frequent monitoring and reporting of budgetary performance, maintenance of rolling five-year financial projections and current capital plans, and compliance with formal district policies governing reserves, investments, and debt. The district has a minimum fund balance policy of 15%, which it is currently meeting. Management is taking steps to mitigate cyber risk.
- Elevated debt and liabilities profile relative to that of peers, particularly in current costs and net direct debt per capita. The district expects to issue a maximum of \$9 million in early 2027, reflecting its remaining authorization, which we have incorporated in our analysis. Management expects that the district might not need to issue the full amount based on project costs to date. We do not consider pension liabilities a source of budgetary pressure, as pension and postemployment benefits expenditures are manageable with a well-funded pension plan.
- For information on our institutional framework assessment for Wisconsin school districts, see "[Institutional Framework Assessment: Wisconsin Local Governments](#)," Sept. 10, 2024.

Environmental, social, and governance

We view the district's environmental, social, and governance factors as neutral within our credit rating analysis.

Outlook

The stable outlook reflects our view that the district will maintain balanced-to-positive operations and sound reserves while it manages its facility renovations and upgrades.

Downside scenario

We could lower the rating if the district's reserves deteriorate without a plan for timely replenishment of fund balances.

Upside scenario

We could raise the rating if the district's economic indicators improve and the debt burden moderates.

Beaver Dam Unified School District, Wisconsin--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.95
Economy	5.0
Financial performance	2
Reserves and liquidity	2
Management	2.00
Debt and liabilities	3.75

Beaver Dam Unified School District, Wisconsin--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	64	--	64	66
County PCPI % of U.S.	80	--	80	80
Market value (\$000s)	2,971,226	2,601,900	2,356,526	2,045,562
Market value per capita (\$)	129,066	113,023	101,737	90,304
Top 10 taxpayers % of taxable value	8.5	--	--	--
County unemployment rate (%)	2.5	2.6	2.4	2.6
Local median household EBI % of U.S.	88	88	95	89
Local per capita EBI % of U.S.	87	87	93	86
Local population	23,021	23,021	23,163	22,652
Financial performance				
Operating fund revenues (\$000s)	--	46,350	42,511	42,756
Operating fund expenditures (\$000s)	--	40,476	38,200	38,010
Net transfers and other adjustments (\$000s)	--	(5,314)	(4,098)	(3,958)
Operating result (\$000s)	--	560	213	788
Operating result % of revenues	--	1.2	0.5	1.8
Operating result three-year average %	--	1.2	1.1	1.1
Enrollment	--	3,064	3,171	3,271
Reserves and liquidity				
Available reserves % of operating revenues	--	14.7	14.6	14.0
Available reserves (\$000s)	--	6,798	6,187	5,965
Debt and liabilities				
Debt service cost % of revenues	--	10.9	12.9	8.1
Net direct debt per capita (\$)	5,805	1,660	1,853	2,128

Beaver Dam Unified School District, Wisconsin--key credit metrics

	Most recent	2024	2023	2022
Net direct debt (\$000s)	133,639	38,204	42,927	48,212
Direct debt 10-year amortization (%)	38	76	69	--
Pension and OPEB cost % of revenues	--	5.0	5.0	7.0
NPLs per capita (\$)	--	180	401	110
Combined NPLs (\$000s)	--	4,141	9,297	2,484

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$71,000,000 Beaver Dam Unified School District, Wisconsin, General Obligation Promissory Notes, dated: Date of Delivery, due: April 1, 2046

Long Term Rating A+/Stable

Ratings Affirmed

Local Government

Beaver Dam Unified School District, WI Unlimited Tax General Obligation A+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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