



Rating Action: Moody's Ratings assigns Aa1 to Tahoe-Truckee USD's (CA) SFID No. 1 and SFID No. 2 Refunding GOs

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New York, March 18, 2026 -- Moody's Ratings (Moody's) has assigned Aa1 ratings to Tahoe-Truckee Unified School District's (CA) proposed 2026 General Obligation Refunding Bonds, Series A (School Facilities Improvement District No. 1) and 2026 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 2). The estimated par amounts are about \$41.2 million and \$27.7 million, respectively. We maintain the district's Aa2 issuer rating and Aa1 ratings on both SFIDs' outstanding general obligation unlimited debt. The district has about \$172 million in total outstanding long-term debt.

RATINGS RATIONALE

The Aa2 issuer rating incorporates the district's large tax base poised for ongoing solid growth that supports exceptionally strong property wealth with assessed value per capita at \$1.1 million, favorable resident income levels and relatively stable enrollment.

The district will maintain a sound financial position despite projected deficits over the next two years. By fiscal 2026 year-end, management projects a \$3.2 million deficit due to higher salary and healthcare costs, plus spending from one-time funds; in fiscal 2027, a \$775,000 deficit is expected, which also includes the use of one-time funds. However, available general fund balance will remain solid at 14% of total revenue.

The rating also incorporates the district's high long-term liabilities ratio and fixed costs, which are expected to decrease over the next few years since management does not plan to take on new debt soon.

The Aa1 ratings assigned to the SFIDs' general obligation bonds are one notch higher than the Aa2 issuer rating. The one notch distinction reflects California school district GO bond security features that include the physical separation through a "lockbox" for pledged property tax collections and a security interest created by statute.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained increases in available general fund balance to above 20% with structurally balanced operations absent one-time funds
- Material reduction in leverage to below 150%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Sustained weakened financial position with available general fund balance approaching 10%
- Material and sustained increases in leverage to above 450% of revenues

PROFILE

Tahoe-Truckee Unified School District encompasses territories in Placer, Nevada and El Dorado counties in the Sierra Nevada Mountain Range near Lake Tahoe. SFID No. 1 is located in the northern portion of district and

includes the Town of Truckee, while the SFID No. 2 is in the southern and lakefront portions of the district. The district operates 12 schools and its enrollment for fiscal 2026 is projected at 3,966.

METHODOLOGY

The principal methodology used in these ratings was US K-12 Public School Districts published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455984>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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