

CREDIT OPINION

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Send Your Feedback

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Manitowoc Public School District, WI

New issue

Summary

[Manitowoc Public School District, WI](#) (Aa3) benefits from stable finances and low long-term liabilities. Although the long-term liabilities ratio will grow in the coming years as the district begins a large capital plan, long-term liabilities will remain below 120%. Resident incomes lag the nation and enrollment is declining.

Credit strengths

- » Low long-term liabilities ratio
- » Stable finances that have allowed the district to avoid cash flow borrowing

Credit challenges

- » Full value per capita is lower than similarly rated peers
- » Aging population and long-term declining enrollment trend

Rating outlook

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

Factors that could lead to an upgrade

- » Stabilizing enrollment trend
- » Economic growth that raises resident income and full value per capita to levels in line with higher rated peers
- » An available fund balance ratio approaching 30%

Factors that could lead to a downgrade

- » An available fund balance ratio materially below 20%
- » A long-term liabilities ratio above 175%

Key indicators

Exhibit 1

Manitowoc Public School District, WI

	2021	2022	2023	2024	Medians
Economy					
Resident income	93.9%	94.1%	92.8%	N/A	N/A
Full value (\$000)	\$2,772,632	\$2,938,043	\$3,457,134	\$3,952,609	N/A
Population	39,819	40,128	40,153	N/A	N/A
Full value per capita	\$69,631	\$73,217	\$86,099	N/A	N/A
Enrollment	4,760	4,762	4,726	4,641	N/A
Enrollment trend	-1.9%	-1.4%	-1.8%	-0.8%	N/A
Financial performance					
Operating revenue (\$000)	\$69,978	\$75,844	\$78,558	\$81,558	N/A
Available fund balance (\$000)	\$14,135	\$14,678	\$14,607	\$16,439	N/A
Net cash (\$000)	\$18,005	\$18,674	\$14,117	\$22,775	N/A
Available fund balance ratio	20.2%	19.4%	18.6%	20.2%	N/A
Net cash ratio	25.7%	24.6%	18.0%	27.9%	N/A
Leverage					
Debt (\$000)	\$3,155	\$1,010	\$71	\$14	N/A
ANPL (\$000)	\$128,916	\$120,407	\$60,435	\$59,264	N/A
OPEB (\$000)	\$8,937	\$7,146	\$5,630	\$5,729	N/A
Long-term liabilities ratio	201.5%	169.5%	84.2%	79.7%	N/A
Implied debt service (\$000)	\$300	\$221	\$71	\$5	N/A
Pension tread water (\$000)	\$1,246	\$1,347	\$3,229	N/A	N/A
OPEB contributions (\$000)	\$261	\$231	\$220	\$171	N/A
Fixed-costs ratio	2.6%	2.4%	4.5%	4.2%	N/A

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, Manitowoc Public School District, WI's financial statements and Moody's Ratings

Profile

Manitowoc Public School District is located in Manitowoc County in eastern Wisconsin, approximately 30 miles southeast of Green Bay.

Detailed credit considerations

Manitowoc Public School District has an industrial tax base that supports a moderate resident income ratio of 93% and solid full value per capita of about \$105,000. Equalized values have grown rapidly in recent years, at greater than 10% annually since 2021. The district has faced a long-term trend of declining enrollment driven by the aging population and open enrollment losses. The available fund balance ratio has been stable around 20% of revenue in recent years. Under the district's fund balance policy, balances in excess of the 20-25% fund balance target are transferred to the long-term capital improvement fund.

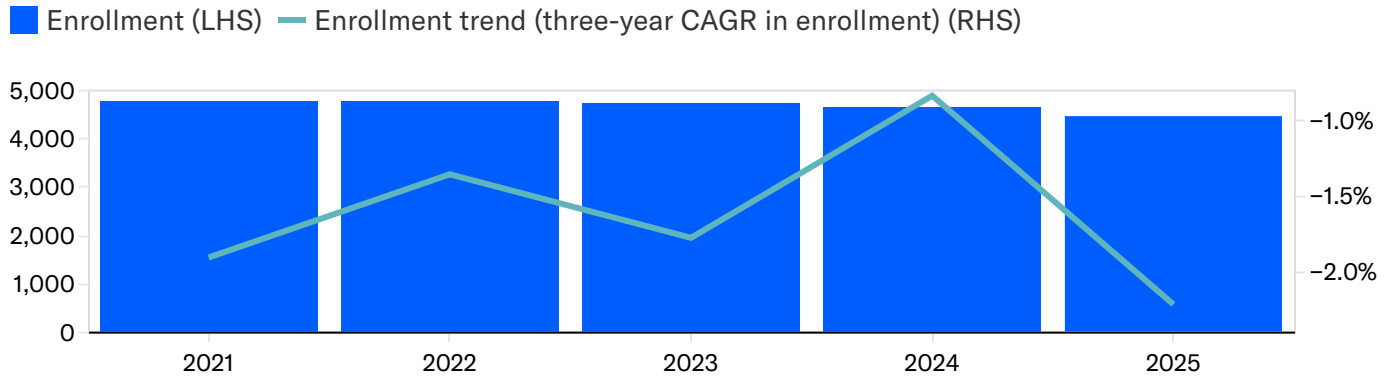
In April 2025, the district's voter passed a \$25 million capital referendum. The district is in the process of issuing \$14 million general obligation notes and plans to issue the remaining \$11 million in spring 2026. Long-term liabilities will remain low, below 120%, after all bonds are issued because the district has no other outstanding general obligation debt. The district's available fund balance will grow slightly, to about 23% in 2025 as the district expects to close fiscal 2025 with a modest operating surplus. The preliminary 2026 budget is balanced, with minimal growth in expenditures expected.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Economy

Exhibit 2

Enrollment

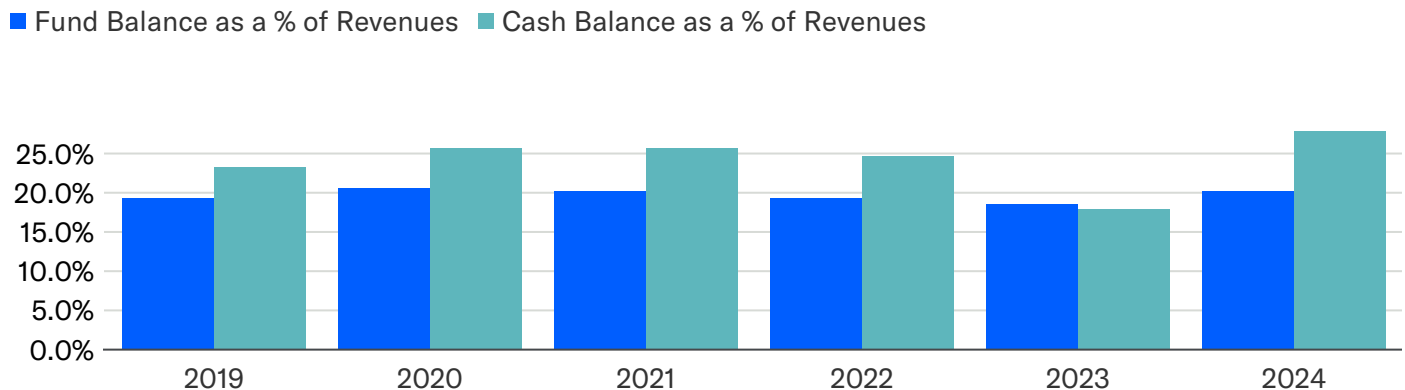


Source: Moody's Ratings

Financial operations

Exhibit 3

Financial Trends



Source: Moody's Ratings

ESG considerations

Environmental

Environmental Considerations are factored into the rating but are not considered a driver. According to Moody's climate data, Manitowoc county has neutral to low exposure to environmental risks across all categories, including physical climate risk, carbon transition, natural capital, waste and pollution.

Social

Social considerations are factored into the rating. The district has an aging population and minimal population growth. The median age is 44, which is older than the state median (40) and the national median (39). The school age population is slightly lower than the state average.

Governance

Wisconsin school districts have an Institutional Framework score ¹ of A. The state controls the bulk of revenue through per-pupil revenue limits, which are calculated annually and are based on enrollment changes, an inflationary increment and the prior year's

revenue limit. The difference between a district's revenue limit and its general state aid is the maximum amount the district can generate via its property tax levy. Districts can request voter authorization to exceed property tax levy limits on either a recurring or non-recurring basis.

Governance considerations are a driver of the rating. The district has a fund balance policy to maintain a balance sufficient to avoid cash flow borrowing. In practice, the district targets maintaining a balance equal to 20% of the prior year's general fund expenditures. Any balance above the target is transferred to the long-term capital improvement fund. The district has not used cash flow or other short term borrowing for at least 20 years.

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 4

Manitowoc Public School District, WI

	Measure	Weight	Score
Economy			
Resident Income (MHI Adjusted for RPP / US MHI)	92.8%	10.0%	A
Full value per capita (full valuation of the tax base / population)	107,647	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	-2.2%	10.0%	Baa
Financial performance			
Available fund balance ratio (available fund balance / operating revenue)	20.2%	20.0%	Aa
Net cash ratio (net cash / operating revenue)	27.9%	10.0%	Aaa
Institutional framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	97.5%	20.0%	Aaa
Fixed-costs ratio (adjusted fixed costs / operating revenue)	4.2%	10.0%	Aaa
Notching factors			
Potential for significant change in leverage	-0.50		
Scorecard-Indicated Outcome			Aa3
Assigned Rating			Aa3

The complete list of outstanding ratings assigned to the Manitowoc Public School District, WI is available on their [issuer page](#). Details on the current ESG scores assigned to the Manitowoc Public School District, WI are available on their [ESGView page](#).

Sources: US Census Bureau, Manitowoc Public School District, WI's financial statements and Moody's Ratings

Appendix

Exhibit 5

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 Ratings
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 Ratings
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 Ratings
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Ratings
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 Ratings
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 Ratings
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 Ratings

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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