

Research Update:

Columbia School District, MO Series 2025 GO Refunding Bonds Rated 'AA+' And 'AA'; Debt Ratings Affirmed; Outlook Stable

November 7, 2025

Overview

- S&P Global Ratings assigned its 'AA+' long-term (program-enhanced) rating and 'AA' underlying rating to [Columbia School District](#), Mo.'s \$20.9 million series 2025 general obligation (GO) refunding bonds.
- We also affirmed our 'AA+' long-term (program-enhanced) rating and our 'AA' underlying rating on the district's GO debt outstanding.
- The outlook is stable.

Rationale

Security

The 'AA+' long-term rating reflects our view of the school district's eligibility for, and participation in, the Missouri Direct Deposit of State Aid program. Revenue from an unlimited ad valorem tax levied on all taxable property within the district secures the bonds. Proceeds from the series 2025 bonds will be used to refund the district's series 2016 bonds for interest cost savings.

The credit enhancement rating on the state's debt is one notch below the issuer credit rating on [Missouri](#) (AAA/Stable) given state aid appropriation risk. However, this is partly mitigated by consistent state support, execution of the direct deposit agreement, and maximum annual debt service coverage that we expect will remain strong at 4.6x.

For more information, see: "[Missouri Credit Enhancement Programs](#)," July 10, 2024.

Credit highlights

Our 'AA' rating continues to be supported by Columbia Public School District's well-managed finances, expanding tax base, and the presence of the University of Missouri-Columbia, the

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state's flagship university, which we consider to be a stabilizing institution in the local economy. With positive operations anticipated in the near term, coupled with the district's healthy available reserves, we expect rating stability over the next few years.

The district has benefited from conservative financial management, strong revenue gains, and the receipt of one-time funds in recent years that helped bolster its reserves. In fiscal 2024 (year-ended June 30), the district reported a \$16.1 million surplus (5.8% of revenue), which was driven by increases in its assessed valuation leading to higher property tax revenue, and lower expenditures than budgeted. For unaudited fiscal 2025, officials anticipate a \$12.5 million surplus, primarily driven by the receipt of a large one-time protested property tax settlement of \$9 million. In addition, the district's results in fiscal 2025 were aided by an increase in state funding. While the district has conservatively structured its fiscal 2026 budget with a deficit, we anticipate that financial performance will be at least break-even. The district's available reserves remain quite robust at \$118 million, or 42% of revenue, in compliance with its three-month, board-approved reserve policy. District officials anticipate stable enrollment during the next 10 years.

While the district has approximately \$150 million in potential capital plans over the next 10 years for deferred maintenance projects, we do not anticipate this borrowing will materially weaken its debt profile, with amortization offsetting these issuances. The district's management practices are unchanged from our previous review in October 2024, and characterized by robust and detailed budgeting, whereby officials use a mix of zero-based and line-item accounting. Management also prepares a detailed three-year financial forecast and a more limited long-term capital plan. In addition to the reserve policy, the district maintains an investment and debt policy, with monthly investment reports provided to its board.

The 'AA' rating further reflects our view of the following credit factors:

- Moderate per capita gross county product at 80.7% and county personal incomes at 85.6% of U.S. averages. We consider the district to benefit from the stabilizing institution of the University of Missouri in Columbia, the state's flagship university, which enhances our view of the district's overall economic profile.
- Consistently positive financial performance, with four consecutive audited surpluses, and another large surplus anticipated in unaudited fiscal 2025, benefitting from the receipt of a one-time settlement payment from a property tax dispute. We anticipate continued positive fiscal operations over the next few years.
- Very robust reserves, with a large available fund balance of greater than \$118 million, or 42% of revenue, and no plans to spend down.
- We consider management practices sound, highlighted by long-term financial and capital planning and regular reporting of financial results to the board, although without comparisons to the budget. The district maintains cybersecurity protections and requires its employees to participate in regular cybersecurity training.
- The debt and liability profile is manageable. We do not expect tentative additional issuance plans of \$150 million over the next 10 years, subject to voter approval, will materially affect the debt profile given amortization during that time. The district has one series of private-placement debt outstanding with acceleration of debt service due within the fiscal year, which we do not view as a liquidity risk.
- The institutional framework is what we consider more transparent than is typical for Missouri school districts because the district's audits are presented on an accrual basis of accounting in accordance with generally accepted accounting principles, whereas most use a cash basis.

For more information on our institutional framework assessment for Missouri school districts, see: "[Institutional Framework Assessment: Missouri Local Governments](#)," Sept. 10, 2024.

Environmental, social, and governance

We analyzed the district's environmental, social, and governance factors and view them as neutral in our credit analysis. The district also maintains mitigating practices and policies to address cybersecurity risks.

Outlook

The stable outlook reflects our view that the district will continue to achieve strong financial performance, benefitting from local economic growth and its careful budget management. We do not expect to change the rating during the next few years.

Downside scenario

Should the district’s financial performance deteriorate, leading to a material reduction in reserves without a plan to replenish its fund balance, a lower rating is possible.

Upside scenario

If the district demonstrates significantly stronger local economic indicators, comparable with those of higher-rated peers, while other credit factors are maintained or improve, we could take a positive rating action.

Columbia School District, Missouri--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.85
Economy	2.5
Financial performance	1
Reserves and liquidity	1
Management	2.00
Debt and liabilities	2.75

Columbia School District, Missouri--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	81	--	81	81
County PCPI % of U.S.	86	--	86	85
Market value (\$000s)	14,047,421	14,047,421	13,144,609	12,490,806
Market value per capita (\$)	87,379	87,379	82,652	79,478
Top 10 taxpayers % of taxable value	5.1	5.4	4.9	4.8
County unemployment rate (%)	3.4	3.1	2.6	2.1
Local median household EBI % of U.S.	86	86	85	83
Local per capita EBI % of U.S.	88	88	93	88
Local population	160,764	160,764	159,035	156,393

Columbia School District, Missouri--key credit metrics

	Most recent	2024	2023	2022
Financial performance				
Operating fund revenues (\$000s)	--	280,101	269,539	250,952
Operating fund expenditures (\$000s)	--	266,885	253,536	246,882
Net transfers and other adjustments (\$000s)	--	2,921	(3,755)	(1,653)
Operating result (\$000s)	--	16,137	12,248	2,417
Operating result % of revenues	--	5.8	4.5	1.0
Operating result three-year average %	--	3.8	2.5	2.8
Enrollment	--	18,769	18,800	18,527
Reserves and liquidity				
Available reserves % of operating revenues	--	42.2	40.1	38.0
Available reserves (\$000s)	--	118,077	108,011	95,323
Debt and liabilities				
Debt service cost % of revenues	--	9.3	9.3	12.5
Net direct debt per capita (\$)	1,949	2,103	1,991	1,875
Net direct debt (\$000s)	313,258	338,104	316,609	292,700
Direct debt 10-year amortization (%)	67	69	65	63
Pension and OPEB cost % of revenues	--	7.0	7.0	8.0
NPLs per capita (\$)	--	1,110	1,349	1,284
Combined NPLs (\$000s)	--	178,477	214,513	200,790

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\$20.9 mil GO rfdg bnds (Missouri Direct Deposit Program) ser 2025 due 03/01/2036

Long Term Rating AA+/Stable

Underlying Rating for Credit Program AA/Stable

Ratings Affirmed

Local Government

Columbia Sch Dist MO Unlimited Tax General Obligation AA/Stable

Columbia Sch Dist, MO Direct Deposit State Aid Program AA+/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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