

## Research Update:

# Logan County Unified School District No. 274 (Oakley), KS' Series 2026 GO Bonds Assigned 'A-' Rating

January 22, 2026

## Overview

- S&P Global Ratings assigned its 'A-' long-term rating to [Logan County Unified School District No. 274 \(Oakley\)](#), Kan.'s \$28 million series 2026 general obligation (GO) bonds.
- The outlook is stable.

## Rationale

### Security

Revenue from the district's unlimited ad valorem tax, levied on all taxable property within its boundaries, secures the series 2026 bonds.

Bond proceeds will be used to construct elementary and middle school facilities and finance upgrades to address aging high school facilities.

### Credit highlights

The rating reflects our view of the district's leveraged debt and liabilities profile as well as our expectations for material increases to fixed costs for debt service with the current issuance. The rating further reflects our view of the district's limited, agriculture-based economy, with a small total county population of less than 5,000 residents. County population has declined by roughly 3% in the past 10 years, with projections indicating that this trend is not likely to reverse in the next 20 years. Somewhat offsetting these factors, local income metrics are comparable to the U.S. median and slightly better than those of the county, supporting revenue raising flexibility, in our view. The district plans to increase the bond and interest levy by approximately 26 mills to accommodate debt service payments on the current bonds. Local population and enrollment trends are stable, despite a long-term trend of county-level population decline. The Town of Oakley, where district facilities are located, serves as an economic hub for the surrounding agricultural areas of Logan, Thomas, Gove, and Sheridan counties. Oakley's significance as a

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regional economic center has also supported modest enrollment growth for the district in the past three years. Officials attribute the stable-to-positive enrollment trends to the state's open enrollment policy and to the district's expanded academic programs relative to those of smaller neighboring districts.

Financial performance has remained balanced in the past three years, outside of capital spending in fiscal 2023. The district added to cash-basis reserves, which totaled slightly more than \$1 million (14.53% of revenue) in fiscal 2025. For Kansas schools using regulatory (cash-basis) accounting, our view of available reserves includes unencumbered cash balances in the general, supplemental general, special education, capital outlay, and contingency reserve funds. We consider reserves thin on a nominal basis and view cash-basis accounting as less transparent than modified accrual accounting, though comparable to that of state peers.

Debt increases substantially with the current issuance, both in terms of per capita debt metrics and annual debt service carrying charges, and we have factored this into our analysis. However, we believe the tax base can accommodate the proposed 26.25-mill increase to the bond and interest levy to accommodate the current issuance, and we do not expect debt service payments to pressure operations.

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

- Agriculture-economy with a relatively limited tax base, although assessed valuation has grown consistently in recent years and is expected to continue to do so in the near term. The district has below-average gross county product per capita, but income indicators are above average compared with those of similarly rated national peers.
- Stable cash-basis reserves in the past three years, with operations that are mixed across the five funds but nominally thin and consistently below \$2 million although comparable with those of similarly rated peers on a cash-basis of accounting.
- Management, highlighted by policies and practices that include budgetary assumptions based partly on historical trends and outside sources with monthly reporting to the school board on cash balances, although a comprehensive review of budget-to-actual performance is not conducted; the district follows state guidelines for investments and debt, and has mitigating practices for cybersecurity. The district lacks long-term planning and does not have a minimum reserve policy or informal target.
- Debt service costs that are expected to increase materially with the current issuance, although we do not expect debt service payments to pressure operations given a significant increase to the bond and interest mill levy. Amortization is slow, in our view, with only 20% of debt scheduled to retire in the next 10 years, but with level debt service requirements. We also see limited pension and other postemployment benefits pressure given state support of these costs.
- For more information on our institutional framework assessment for Kansas school districts, see "[Institutional Framework Assessment: Kansas Local Governments](#)," Sept. 9, 2024.

## **Environmental, social, and governance**

We analyzed environmental, social, and governance factors and consider them neutral in our credit analysis.

## **Outlook**

## Logan County Unified School District No. 274 (Oakley), KS' Series 2026 GO Bonds Assigned 'A-' Rating

The stable outlook reflects our expectation that the district will maintain balanced operations and healthy reserves and liquidity in the near term, supported by a predictable state funding environment, stable enrollment trends, and tax rate flexibility. We also expect that the elevated debt burden will remain a rating limitation in the near term.

### Downside scenario

We could lower the rating if reserves deteriorate on a sustained basis, whether as a result of structural imbalance or planned drawdowns across the five operating funds.

### Upside scenario

We could raise the rating if debt moderates materially, combined with the institutionalization of more formalized financial policies and practices, or if the local economy expands and diversifies, contributing to stabilization in population trends.

### Logan County Unified School District No. 274 (Oakley), Kansas--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	3.66
Economy	3.5
Financial performance	3
Reserves and liquidity	4
Management	3.30
Debt and liabilities	4.50

### Logan County Unified School District No. 274 (Oakley), Kansas--key credit metrics

	Most recent	2025	2024	2023
<b>Economy</b>				
Real GCP per capita as % of U.S.	91	--	--	91
County PCPI as % of U.S.	96	--	--	96
Market value (\$000s)	403,155	411,518	401,784	413,187
Market value per capita (\$)	153,116	156,292	152,596	156,214
Top 10 taxpayers as % of taxable value	22.2	21.8	--	--
County unemployment rate (%)	3.0	3.0	2.7	2.1
Local median household EBI as % of U.S.	99	--	99	83
Local per capita EBI as % of U.S.	104	--	104	84
Local population	2,633	--	2,633	2,645
<b>Financial performance</b>				
Operating fund revenue (\$000s)	--	7,434	6,844	6,480
Operating fund expenditures (\$000s)	--	7,309	6,830	6,649
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	125	14	(169)
Operating result as % of revenue	--	1.7	0.2	(2.6)
Operating result three-year average %	--	(0.2)	--	--
Enrollment	--	432	399	426

**Logan County Unified School District No. 274 (Oakley), Kansas--key credit metrics**

	Most recent	2025	2024	2023
<b>Reserves and liquidity</b>				
Available reserves as % of operating revenue	--	14.5	14.0	14.5
Available reserves (\$000s)	--	1,080	955	941
<b>Debt and liabilities</b>				
Debt service cost as % of revenue	--	--	--	--
Net direct debt per capita (\$)	11,060	428	506	607
Net direct debt (\$000s)	29,122	1,127	1,331	1,606
Direct debt 10-year amortization (%)	20	100	100	100
Pension and OPEB cost as % of revenue	--	--	--	--
NPLs per capita (\$)	--	1,409	1,409	1,482
Combined NPLs (\$000s)	--	3,711	3,711	3,920

Financial data may reflect analytical adjustments and is 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. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

**Ratings List**

**New Issue Ratings**

US\$27,995 mil GO bnds ser 2026 dtd 02/26/2026 due 09/01/2051

Long Term Rating A-/Stable

**New Rating**

**Local Government**

Logan County Unified School District No. 274 (Oakley), KS 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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