

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aa2 to Dallas Center-Grimes CSD, IA's GOs

13 Apr 2026

New York, April 13, 2026 -- Moody's Ratings (Moody's) has assigned a Aa2 rating to Dallas Center-Grimes Community School District, IA's General Obligation School Bonds, Series 2026, with a proposed par value of about \$44 million. We maintain the district's Aa2 issuer and outstanding general obligation unlimited tax (GOULT) ratings. Following the sale, the district will have about \$104 million in total debt outstanding.

RATINGS RATIONALE

The district's Aa2 issuer rating reflects its robust financial position with a high resident income ratio of over 160% and full value per capita just under \$225,000, supported by its proximity to employment opportunities in the Des Moines metro area. Enrollment is stable, though significant ongoing residential development could lead to growth over the next few years. Leverage will increase to be closer to 300% of fiscal 2025 (year-end June 30) operating revenue as the district issues remaining voter-approved bonding authority over the next few years.

The district will likely maintain solid reserves despite a projected declines over the next two years. Year-to-date results for fiscal 2026 point to a roughly \$2 million decline in general fund balance, which would bring the available general fund balance to about 16% of revenue. Management expects a similarly sized draw in fiscal 2027, which will allow the district to tap the cash reserve levy beginning in fiscal 2028 and rebuild reserves over the subsequent years. The combined available fund balance across the general fund, management levy fund and debt service fund was over \$30 million in fiscal 2025, or over 50% of revenue, inclusive of reserves held in the debt service fund that will be used to redeem a portion of the district's outstanding bonds in advance of maturity.

The Aa2 GOULT rating is at the same level as the issuer rating based on the district's full faith and credit pledge with the authority to levy an ad valorem property tax, unlimited in both rate and amount, to pay debt service on the bonds.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Maintenance of available general fund balance well above 25%
- Long-term liabilities ratio approaching 125% and fixed costs below 15%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- General fund available fund balance ratio consistently below 15%
- Long-term liabilities ratio consistently closer to 400%, or fixed costs ratio approaching 25%

PROFILE

Dallas Center-Grimes Community School District is located in central Iowa in the Des Moines metropolitan area, serving the cities of Dallas Center, Grimes, and a portion of the City of Urbandale. The district provides pre-K through 12th grade education to about 3,700 students in a community of over 15,000 residents.

METHODOLOGY

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

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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