

Research Update:

Fort Dodge Community School District, IA Series 2026 GO School Bonds Assigned 'A+' Rating; Outlook Is Stable

March 24, 2026

Overview

- S&P Global Ratings assigned its 'A+' long-term rating to [Fort Dodge Community School District](#) (CSD), Iowa's anticipated \$27.4 million series 2026 general obligation (GO) school bonds.
- At the same time, S&P Global Ratings affirmed its 'A+' long-term rating on the district's outstanding unlimited tax GO bonds.
- The outlook is stable.

Rationale

Security

The series 2026 GO bonds are secured by an unlimited ad valorem property tax pledge and represent the first issuance of a \$42 million voter-approved authorization, with the remaining \$15 million expected to be issued in 2027 or 2028. Bond proceeds will fund a districtwide high school improvement project, including renovation of the existing senior high building, HVAC upgrades, pool improvements, and construction of a new fine arts and support facility with a weight room and related site improvements.

Credit highlights

The rating reflects our view of the district's financial profile, which is entering a period of planned, near-term fund balance drawdowns that are driven by enrollment-related revenue pressure and a temporary constraint on levy capacity. Despite management's projection that reserves will decline by approximately \$1.5 million annually during the next two fiscal years, we believe they will remain aligned with the district's historically conservative reserve position and consistent with rating level medians. While the district's metrics remain pressured by sustained net negative open enrollment and increased competition from private vouchers and virtual academies, these trends have moderated revenue growth rather than driven abrupt revenue deterioration and are reflected in its forward-looking financial plans.

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Financial performance has also been affected by a temporary limitation on the district's ability to levy for cash reserves, contributing to its near-term operating deficits and the planned use of reserves. This constraint is transitional, with levy capacity expected to be restored in fiscal 2028. At that time, the district anticipates generating approximately \$1.6 million in annual recurring revenue, which management and the board indicate they will use to support and improve the district's structural balance amid ongoing expenditure pressures.

The district has demonstrated budgetary responsiveness through recurring expenditure adjustments, primarily personnel-related, including approximately \$600,000 in reductions in fiscal 2027 and plans for continued annual cost containment measures aligned with enrollment trends. While some revenue-expenditure mismatches persist, most notably that of state-aid growth (roughly 2%) trailing salary growth (near 3%), the district has largely addressed its prior reliance on one-time measures. Overall, we believe the rating is supported by the district's healthy remaining reserves, demonstrated management responsiveness, and a credible path to improved operating balance following the restoration of its levy authority.

Additional rating factors include:

- The district's location in Webster County in north-central Iowa, where it serves a primarily residential, regionally oriented economy supported by Iowa Central Community College, logistics employers, and sports tourism activity. Enrollment trends are negative, reflecting open enrollment outflows, private school vouchers, and the rise of virtual academies, though the local economic base remains relatively stable and diversified.
- The district is currently experiencing a planned, near-term reserve drawdown, which is projected to decline by \$1.5 million annually for the next two years, though management expects reserves to remain healthy. This drawdown is driven by declining enrollment and related revenue pressures, compounded by a temporary restriction on levying cash reserves resulting in operating deficits. However, the district anticipates restoring its levy capacity in fiscal 2028, generating \$1.6 million annually, and offsetting these challenges, alongside ongoing expenditure adjustments and a commitment to fiscal responsiveness.
- Management employs a data-driven, proactive approach to financial planning, utilizing detailed budgeting, long-term projections, and consistent monitoring of key indicators, like enrollment. While reserve targets are discussed annually, formal policies are in place for investments and debt management, ensuring the district is in compliance with legal requirements and a focus on long-term fiscal health. The district is taking steps to mitigate cyber risks.
- The debt burden remains manageable following the issuance of the series 2026 bonds and is expected to remain so with the planned second issuance. This represents the first phase of a \$42 million voter-approved authorization, with \$27 million issued to date and the remaining \$15 million anticipated in 2027 or 2028.
- For more information on our institutional framework assessment for Iowa school districts, see "[Institutional Framework Assessment: Iowa Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We consider environmental, social, and governance (ESG) factors as neutral within the credit analysis.

Outlook

The stable outlook reflects our view that the district is proactively addressing its declining enrollment through budgetary adjustments, which we anticipate will support financial ratios commensurate with the rating throughout the outlook period.

Downside scenario

We could take a negative rating action if the district is unable to maintain balanced operations to offset enrollment declines, leading to a material decrease in reserves beyond what is projected.

Upside scenario

We could take a positive rating action if enrollment stabilizes and reserves materially increase relative to operating revenue on a sustained basis.

Table 1

Fort Dodge Community School District, Iowa--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.39
Economy	4.0
Financial performance	3
Reserves and liquidity	1
Management	1.95
Debt and liabilities	2.00

Table 2

Fort Dodge Community School District, Iowa--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	85	--	85	86
County PCPI % of U.S.	76	--	76	77
Market value (\$000s)	2,528,714	2,508,600	2,167,530	1,984,757
Market value per capita (\$)	88,035	87,335	75,461	67,915
Top 10 taxpayers % of taxable value	16.0	16.4	16.8	15.3
County unemployment rate (%)	3.4	3.4	3.1	3.3
Local median household EBI % of U.S.	84	--	84	80
Local per capita EBI % of U.S.	78	--	78	76
Local population	28,724	--	28,724	29,224
Financial performance				
Operating fund revenues (\$000s)	--	50,541	48,952	52,189
Operating fund expenditures (\$000s)	--	51,607	49,444	47,254
Net transfers and other adjustments (\$000s)	--	(6)	(66)	(1,311)
Operating result (\$000s)	--	(1,072)	(558)	3,624
Operating result % of revenues	--	(2.1)	(1.1)	6.9
Operating result three-year average %	--	1.2	1.9	1.8

Fort Dodge Community School District, Iowa--key credit metrics

	Most recent	2025	2024	2023
Enrollment	--	3,401	3,453	3,547
Reserves and liquidity				
Available reserves % of operating revenues	--	21.5	23.6	22.4
Available reserves (\$000s)	--	10,878	11,536	11,707
Debt and liabilities				
Debt service cost % of revenues	--	8.6	8.3	8.5
Net direct debt per capita (\$)	1,542	645	816	952
Net direct debt (\$000s)	44,295	18,530	23,451	27,827
Direct debt 10-year amortization (%)	55	100	100	--
Pension and OPEB cost % of revenues	--	4.0	4.0	4.0
NPLs per capita (\$)	--	363	363	466
Combined NPLs (\$000s)	--	10,425	10,425	13,604

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\$27,040,000 Fort Dodge Community School District, Iowa, General Obligation School Bonds, Series 2026, dated: Date of delivery, due: May 01, 2046

Long Term Rating A+/Stable

Ratings Affirmed

Local Government

Fort Dodge Comnty Sch Dist, IA 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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