MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aa3 to Adel-DeSoto-Minburn Community School District, IA's new GO bonds

17 Sep 2026

New York, September 17, 2026 -- Moody's Ratings (Moody's) has assigned a Aa3 rating to Adel-Desoto-Minburn Community School District, IA's General Obligation School Bonds Series 2026 with a proposed par amount of about $8 million. We maintain the Aa3 rating on the issuer rating and outstanding general obligation unlimited tax (GOULT) debt. After the sale, the district will have about $71 million in debt outstanding.

RATINGS RATIONALE

The Aa3 issuer rating reflects the district's growing tax base, strong resident income and solid financial position, balanced against elevated and increasing leverage. The resident income ratio is strong at about 134%, supported by employment opportunities in the surrounding metro area. Enrollment has recently stabilized following several years of growth, and the district expects new residential development, including approximately 300 single-family homes near the new high school, to support future enrollment expansion.

Fiscal 2025 (year-end June 30) operations were essentially balanced, and available fund balance and net cash in the operating funds remained in line with similarly rated peers at 25% and 35% of revenue, respectively. The district estimates a $315,000 surplus in fiscal 2026, although upcoming limits on its unspent authorized budget and modest state aid increases will constrain future financial flexibility. Inclusive of the current issuance, which will finance the ongoing construction of a new high school, long-term liabilities will equal approximately 288% of operating revenue and fixed costs will rise to about 18.5%. The district expects to issue the remaining $27 million of its voter-approved general obligation authorization over the next several years as it implements its long-term facilities plan.

The district's GOULT bonds are rated at the same level as the Aa3 issuer rating based on the district's full faith and credit pledge and authorization to levy a dedicated property tax that is unlimited as to rate or amount.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Sustained maintenance of available fund balance ratio above 25%

- Maintenance of long-term liabilities ratio below 300% of revenues

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Sustained narrowing of the available fund balance ratio closer to 15%

- Substantial and sustained increase in the long-term liabilities ratio to levels approaching 400%

PROFILE

Adel-DeSoto-Minburn Community School District is located in Dallas County and Madison County in central Iowa, about 20 miles west of Des Moines. The district serves the towns of Adel, De Soto, Minburn and portions of surrounding communities, operating two elementary, one intermediate, one middle and one high school providing pre-K through twelfth grade education to about 2,300 students. The district population totals roughly 10,600 residents.

METHODOLOGY

The principal methodology used in this rating was US K-12 Public School Districts published in June 2026 and available at https://ratings.moodys.com/rmc-documents/466688. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

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.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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