

Research Update:

Juniata College, PA 'BBB' Revenue Bond Rating Affirmed; Outlook Stable

November 20, 2025

Overview

- S&P Global Ratings affirmed its 'BBB' rating on [Huntingdon County General Authority](#), Pa.'s existing revenue bonds, issued for [Juniata College](#).
- The outlook is stable.

Rationale

Security

All debt is a general obligation of the college. The audited fiscal 2025 figures represented in the report are draft audited figures; however, management does not expect any significant changes in the final audit. As of fiscal year-end May 31, 2025, Juniata had \$67 million of debt outstanding, including leases. Of this, all but the series 2016-U2 bank bonds, which total just under \$8 million, are fixed-rate debt. The series 2016 bank loans, with Fulton Bank N.A., were fixed rate for the first seven years through May 2023 and are now in variable-rate mode. We have reviewed the 2016 bank loan documents and understand that key covenants for these loans mirror those associated with the series 2016-002 bonds and that the college could prepay these loans without penalty. The bank loans are subject to acceleration risk, should the college not meet its covenant, which is somewhat mitigated by the college's \$37.4 million in board-designated endowment funds.

The college plans to issue approximately \$38.6 million of debt during the outlook period. The proceeds from the debt will finance the construction of a building on Juniata's campus known as the Gateway Center and refinance about \$17.2 million in debt, including the 2016-U2 bank loan. Including the proposed debt, total pro forma debt as of May 31, 2025, is \$88.4 million. The new debt will ultimately be taken out by the United States Department of Agriculture (USDA), with an interest rate cap of 4%. Prior to the USDA refinancing the loan, Juniata will seek interim financing with PNC Bank.

The college's current debt is subject to a debt service coverage ratio requirement of 1.05x, which the college met in fiscal 2025 with coverage of 1.82x. With the issuance of the new debt, when the

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USDA takes over the loan, all of the college's debt will be subject to a debt service coverage ratio requirement of 1.25x. Until the USDA takes over the loan, the college's debt service coverage ratio requirement will remain 1.05x. We expect the college to be in compliance with its covenants during the outlook period.

Credit highlights

We assessed the college's enterprise risk profile as adequate, with three years of increasing enrollment and stable demand metrics, offset by very small enrollment. We also assessed the college's financial risk profile as adequate, with healthy endowment per full-time equivalent (FTE) and sufficient financial resources relative to operations and compared with peers and medians. These strengths are offset by two years of modest operating deficits and weakened financial resources compared with debt, driven by the college's planned additional debt. We believe these credit factors, combined, lead to an anchor of 'bbb' and final long-term rating of 'BBB'.

The rating reflects our view of the college's:

- Weak financial resources compared with pro forma debt compared with peers and medians, with cash and investments making up 147% of pro forma debt as of fiscal 2025;
- History of high tuition discount, with a tuition discount rate of 68% in fiscal 2025; and
- High average age of plant of almost 20 years as of fiscal 2025.

We believe somewhat offsetting credit factors include the college's:

- Trend of increasing enrollment over the last three years;
- Solid and stable demand metrics; and
- Healthy endowment per FTE of \$108,369 in fiscal 2025 compared with the median of \$48.8 million.

Founded in 1876, Juniata has been an undergraduate, coeducational liberal arts college since its inception. The college is on a large 1,000-acre campus in Huntingdon in south-central Pennsylvania. The university also has property at the Field Station and Sparks Farm outside of Huntingdon.

Environmental, social, and governance

We evaluated Juniata's environmental, social, and governance credit factors pertaining to its market position, management and governance, and financial performance. In our view, Juniata faces elevated risk due to demographic pressure, which we view as a social capital risk. A lower number of high school students are expected to graduate in Pennsylvania for the next several years, which could add to the enrollment pressures. Despite the elevated social risk, we believe Juniata's environmental and governance are neutral in our credit rating analysis.

Outlook

The stable outlook reflects our expectation that during the outlook period, Juniata will maintain at least stable enrollment, despite some continued operating pressure. We also expect that Juniata will maintain its financial resources, and we do not expect the college to issue additional debt outside of the proposed USDA loan.

Downside scenario

We could consider a negative rating action if a trend of declining enrollment emerges, the college sees a trend of material operating deficits, or financial resource ratios deteriorate further such that they are no longer adequate for the rating. We would also consider additional debt beyond current plans without commensurate growth in financial resources negatively.

Upside scenario

We could consider a positive rating action if the college maintains stable enrollment, while producing break-even to positive operations and growing financial resources--especially compared with debt--to levels commensurate with a higher rating.

Credit Opinion

Enterprise Risk Profile--Adequate

Market position and demand

Juniata has seen a trend of increasing (FTE) enrollment since fall 2023, with a 7% increase from fall 2022 to fall 2023, a 1.3% increase from fall 2023 to fall 2024, and a 2.3% increase from fall 2024 to fall 2025. Total FTE enrollment as of fall 2025 was 1,300. The college also saw its largest incoming freshmen class in several years in fall 2023 of 390 students, and although fall 2024 and fall 2025 saw smaller first year classes of 367 students and 354 students, respectively, the classes were still larger than pre-fall 2023 class sizes. Management attributes the increased enrollment to its retention efforts, which have yielded solid retention of 83% in both fall 2024 and fall 2025, as well as extending their recruiting efforts outside of Pennsylvania. The college has also seen success in garnering demand for new programs.

Juniata's other demand metrics, such as selectivity and matriculation, have weakened slightly in fall 2025 but remain mostly consistent with selectivity of 80% and matriculation of 14%. The decline in matriculation can be largely attributed to an increase in applications and admitted students. Despite recent enrollment growth, we believe the college could continue to face enrollment pressures given the market it serves. In addition, as a result of Juniata's competitive marketplace, the tuition discount rate remains high at 68% in fiscal 2025.

Management and governance

James Troha has been president of the college since fiscal 2013. Juniata has had relatively stable senior leadership over the past several years, and there is no planned turnover currently. A maximum 40-member, self-perpetuating board of trustees governs college operations. In our opinion, the board is stable. The board of trustees reviews the college's written debt and investment management policies annually.

The board approved a new strategic plan in 2022, which outlines priorities related to academic distinction, an equity-minded culture, and the campus experience, all while being mindful of fiscal sustainability. The college annually updates five-year financial plans and builds specific annual capital budgets as part of the budgeting process. As part of the strategic plan and efforts to increase demand, management has continued to adjust its programmatic offerings, and it added programs in exercise science and civil engineering in the last few years. The college also

added nursing in fall 2025, and it expects demand for that program to continue to grow with a full recruiting cycle.

Financial Risk Profile--Adequate

Financial performance

After two years of modest operating surpluses, Juniata has posted two years of modest operating deficits, including a 0.3% (\$351,000) deficit in fiscal 2024 and a 0.9% deficit (\$1.1 million) in fiscal 2025. The deficits can be attributed to increased expenses, as well as decreased endowment draw. The college has been drawing 6% from its endowment for operations for the past three years, which is down from 10% in fiscal years 2021 and 2022. Net tuition revenue has increased in fiscal years 2024 and 2025, reflecting increased fall enrollment, increased summer school enrollment, and increased auxiliary revenue. For fiscal 2026, management is expecting another moderate full accrual operating deficit, which includes increased net tuition revenue but also increased expenses related to salaries and benefits. The fiscal 2026 budget also includes a 6% endowment draw. Although the 6% endowment draw is within the college's 7% spending policy, we view the draw as slightly elevated.

In our opinion, Juniata remains dependent on student-derived revenue. Tuition and auxiliary enterprises generated 79% of fiscal 2025 adjusted operating revenue, and although this is slightly below the median of 84%, we believe Juniata's very small enrollment base makes it more susceptible to risks associated with concentrated revenue. Juniata's discount rate is high, as well, at 68% in fiscal 2025. Although management is working to keep the total tuition discount flat, we expect tuition discount to continue to be a pressure point, given the competition in the region.

Financial resources

Juniata's cash and investments declined somewhat in fiscal 2025 to \$129.5 million from \$130.4 million in fiscal 2024. In addition, given proposed debt, the college's financial resources compared with pro forma debt of 147% has deteriorated and is now somewhat weaker than peers and the median of 198%. Financial resources compared with operations of 113% in fiscal 2025 is higher than the median of 104% and remains sufficient for the rating.

Juniata's endowment market value was \$137.7 million as of June 30, 2025, which is up slightly from a value of \$132.7 million in fiscal 2024. While about 70% of the endowment remains restricted, the college maintains \$37.4 million in board-designated assets as of fiscal 2025.

Juniata has a successful, but limited, history of fundraising and achieving its goals. Its most recent public comprehensive campaign ended in fiscal 2021, having raised \$128.6 million and exceeding its \$115 million goal. The college is currently in the quiet phase of its next capital campaign, with a target of approximately \$150 million, and it has raised about \$80 million.

Debt and contingent liabilities

As of fiscal year-end May 31, 2025, Juniata had \$67 million of debt outstanding, including leases. Including the proposed debt, total pro forma debt as of fiscal 2025 is \$88.4 million. The college's pro forma maximum annual debt service (MADS) burden as of May 31, 2025, is 6%, which although increased, we view as manageable.

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Juniata also has a \$5 million unsecured line of credit, which, as of May 31, 2025, had a \$0 outstanding balance.

Juniata College, Pennsylvania--enterprise and financial statistics

	--Fiscal year ended May 31--					Medians for 'BBB' category rated private colleges and universities
	2026	2025	2024	2023	2022	2024
Enrollment and demand						
Full-time-equivalent enrollment	1,300	1,271	1,255	1,171	1,289	2,440
Undergraduates as a % of total enrollment	97.0	96.4	95.9	98.0	98.8	75.3
First-year acceptance rate (%)	79.5	78.7	72.0	76.2	74.5	79.1
First-year matriculation rate (%)	14.0	16.8	18.6	15.2	16.4	13.8
First-year retention rate (%)	83.0	83.0	77.0	81.0	86.0	78.0
Six-year graduation rate (%)	69.0	74.0	69.0	71.0	75.8	65.9
Financial performance						
Adjusted operating revenue (\$000s)	N.A.	113,435	108,975	97,729	96,588	MNR
Adjusted operating expense (\$000s)	N.A.	114,508	109,326	97,415	95,016	MNR
Net operating margin (%)	N.A.	(0.9)	(0.3)	0.3	1.7	(2.3)
Change in unrestricted net assets (\$000s)	N.A.	(680)	1,858	(2,014)	(3,436)	MNR
Tuition discount (%)	N.A.	68.3	66.8	65.4	64.7	48.3
Student dependence (%)	N.A.	78.7	76.4	78.3	78.8	83.6
Health care operations dependence (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Research dependence (%)	N.A.	2.0	5.6	2.3	5.4	1.2
Financial resources						
Endowment market value (\$000s)	N.A.	137,737	132,688	123,190	122,825	126,552
Cash and investments (\$000s)	N.A.	129,475	130,379	134,301	145,867	144,384
Cash and investments to operations (%)	N.A.	113.1	119.3	137.9	153.5	104.0
Cash and investments to debt (%)	N.A.	193.3	192.8	198.3	215.9	197.7
Cash and investments to pro forma debt (%)	N.A.	146.5	N.A.	N.A.	N.A.	MNR
Debt						
Outstanding debt (\$000s)	N.A.	66,981	67,631	67,711	67,567	65,181
Proposed debt (\$000s)	N.A.	38,600	N.A.	N.A.	N.A.	MNR
Total pro forma debt (\$000s)	N.A.	88,381	N.A.	N.A.	N.A.	MNR
Current MADS burden (%)	N.A.	4.7	5.0	5.6	5.4	4.2
Pro forma MADS burden (%)	N.A.	6.0	N.A.	N.A.	N.A.	MNR
Average age of plant (years)	N.A.	19.6	20.2	21.0	20.0	16.7

Total adjusted operating revenue = unrestricted revenue less realized and unrealized gains/losses and financial aid. Total adjusted operating expense = unrestricted expense plus financial aid expense. Net operating margin = 100*(net adjusted operating income/adjusted operating expense). Student dependence = 100*(gross tuition revenue + auxiliary revenue) / adjusted operating revenue. Current MADS burden = 100*(maximum annual debt service expense/adjusted operating expenses). Cash and investments = cash + short-term and long-term investments. Average age of plant = accumulated depreciation/depreciation and amortization expense. N.A.--Not available. MNR--Median not reported. MADS--Maximum annual debt service.

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Ratings List

Ratings Affirmed

Education

Juniata Coll, PA General Obligation	BBB/Stable
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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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