

## CREDIT OPINION

28 April 2021

 Rate this Research

### Contacts

Max Brekke +1.312.706.9969  
 Associate Lead Analyst  
 max.brekke@moody.com

Eva Bogaty +1.415.274.1765  
 VP-Sr Credit Officer/Manager  
 eva.bogaty@moody.com

### CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

# West Salem School District, WI

## Update to credit analysis

### Summary

[West Salem SD's](#) (A1) credit profile is characterized by stable enrollment, a solid socioeconomic profile, and below average leverage and fixed costs. These positive credit factors balance the district's narrow financial position which we expect to improve in fiscal 2021 and 2022 due to a voter approved operating levy and state and federal COVID support. While fund balance levels are satisfactory, net cash is thin and the district relies on cash flow borrowing to bridge the timing mismatch.

On April 28, Moody's affirmed the A1 issuer rating and the A1 rating on the district's outstanding general obligation unlimited tax (GOULT) debt.

### Credit strengths

- » Stable enrollment trend
- » Above average resident income and wealth levels

### Credit challenges

- » Weak liquidity
- » Somewhat limited revenue raising ability under per pupil state revenue formula

### Rating outlook

Moody's does not usually assign outlooks to local government credits with this amount of debt

### Factors that could lead to an upgrade

- » Expansion and diversification of local economy
- » Significant growth of operating reserves

### Factors that could lead to a downgrade

- » Failure to achieve expected fiscal 2021 surplus and rebuild liquidity
- » Sustained enrollment declines

## Key indicators

Exhibit 1

### West Salem School District, WI

	2017	2018	2019	2020	A Medians
<b>Economy</b>					
Resident income	144.0%	135.4%	132.2%	N/A	97.0%
Full value (\$000)	\$841,230	\$904,808	\$931,415	\$981,543	\$1,102,651
Population	10,140	10,065	9,989	N/A	10,946
Full value per capita	\$82,962	\$89,896	\$93,244	N/A	\$76,753
Enrollment	1,810	1,823	1,797	1,838	1,922
Enrollment trend	N/A	N/A	0.5%	0.5%	-0.5%
<b>Financial performance</b>					
Operating revenue (\$000)	\$21,744	\$23,870	\$23,358	\$25,442	\$28,791
Available fund balance (\$000)	\$3,399	\$3,922	\$3,059	\$2,855	\$6,246
Net cash (\$000)	\$1,701	\$1,094	\$460	\$408	\$6,998
Available fund balance ratio	15.6%	16.4%	13.1%	11.2%	21.5%
Net cash ratio	7.8%	4.6%	2.0%	1.6%	25.9%
<b>Leverage</b>					
Debt (\$000)	\$24,356	\$28,044	\$27,572	\$26,643	\$22,054
ANPL (\$000)	\$24,372	\$27,583	\$24,484	\$33,341	\$43,073
OPEB (\$000)	N/A	\$992	\$972	\$1,407	\$4,504
Long-term liabilities ratio	N/A	237.2%	227.0%	241.3%	296.7%
Implied debt service (\$000)	\$536	\$1,809	\$2,066	\$2,010	\$1,516
Pension tread water (\$000)	\$660	\$447	\$790	N/A	\$1,410
OPEB contributions (\$000)	N/A	\$228	\$38	\$0	\$211
Fixed-costs ratio	N/A	10.4%	12.4%	11.0%	13.1%

For definitions of the metrics in the table above please refer to the [US K-12 Public School Districts Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [K12 Median Report](#).

Sources: US Census Bureau, West Salem School District, WI's financial statements and Moody's Investors Service

## Profile

West Salem School District is located in La Crosse County in western Wisconsin, approximately 10 miles northeast of La Crosse. The district serves a population of around 10,000 and an enrollment of about 1,800.

## Detailed credit considerations

### Economy

The district's economy will continue to benefit from its proximity to the city of La Crosse (Aa3). Full value per capita is a strong and median household income, after adjusting for regional price parity, is above the national median and similarly rated peers. The district (288 employees) and an assisted living facility (280 employees) are the largest employers within the district. However, residents benefit from employment opportunities in La Crosse which has a diverse economy driven by education and healthcare. The district's population continues to increase modestly, totaling 9,989 in 2019, up 1% from 2010 and up 12% from 2000. Enrollment in the district is stable hovering around 1,800 students over the last 5 fiscal years. The district benefits from students transferring into the district with a net gain of 68 students in fiscal 2020.

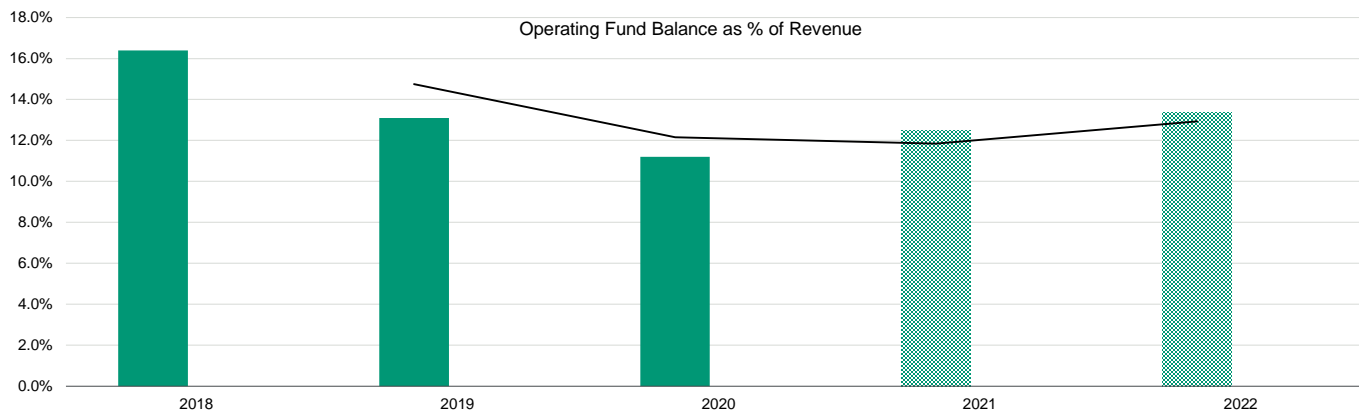
### Financial operations

The district's finances will likely improve due to a voter approved operating levy and COVID support funding, but are expected to remain below average compared to similarly rated peers. Management reports the district is budgeting to increase general fund reserves by \$400,000 next fiscal year (fiscal 2022) supported by an operating levy approved by voters in 2019 bringing an additional \$5.3 million in revenue from 2020 to 2022. The district also expects to add \$470,000 in reserves by the end of fiscal 2021 bringing the available operating fund (general and debt service) balance to \$3.3 million or a below average 12.5% (see Exhibit 2). The district benefitted from state and federal coronavirus funding of \$108,000 in fiscal 2021 and an \$750,000 is expected in fiscal 2022.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

Additionally, the district estimates a third round of ESSR funding could bring up to \$3 million in fiscal 2022. Operating reserves declined as % of operating revenue from fiscal 2017 to 2020 to rising operating cost and capital outlays to a below average 11% in fiscal 2020. The district is primarily funded by state aid at 52% of revenue followed by property tax revenue at 36%. The State of Wisconsin has not made any cuts in funding to school districts.

Exhibit 2



Note: The trend line represents the two period moving average of operating fund balance as % of revenue

Source: West Salem School District, WI's financial statements and Moody's Investors Service

### Liquidity

While the district's operating fund total balance is satisfactory, its net cash balance is very weak due to necessary cash flow borrowing. At year-end fiscal 2020 the district's general fund cash position was a modest 408,000, or 1.6% of revenues. The district receives its property taxes twice a year, resulting in very uneven cash flows that require the support of external borrowing at around \$8 million annually that is paid back by years end. As of April 2021 the district's estimates to end the year with an increase in operating cash to \$878,000, equal to a still a narrow, but improved 3.5% of 2020 operating revenues.

### Leverage

The district's fixed-cost and leverage will remain somewhat below average as there are no plans for additional debt. The district's current long term liabilities are from a combination of debt and its adjusted net pension liability (ANPL). West Salem's long-term liability ratio is a moderate 241% of operating revenue (see Exhibit 4). Fixed costs, inclusive of debt service and retirement contributions, were a moderate 11% of fiscal 2020 operating revenue.

### Legal security

The district's GOULT bonds are secured by the its full faith and credit, along with its pledge and authorization to levy unlimited ad valorem property taxes.

### Debt structure

All of the district's debt is fixed rate and long term. Approximately 57% of principal is scheduled to be paid off within ten years.

### Debt-related derivatives

The district is not party to any derivatives or interest rate swap agreements.

### Pensions and OPEB

The districts retirement liabilities and annual costs are manageable. The district participates in the Wisconsin Retirement System (WRS), a statewide cost-sharing plan. Contributions are determined using a level contribution actuarial method in an effort to keep employer and employee contribution rates at a level percentage of payroll over time, and are set at 100% of the plan's funding requirement. As a result, WRS remains one of the best-funded public employee retirement systems in the country, with the plan reporting a net pension asset in its most recent valuation. The district's ANPL is much higher than reported pension liabilities because the market interest rates we use to value pension liabilities are far lower than reported discount rates (see exhibit 3).

Exhibit 3

**Adjusted pension liabilities notably higher than reported pension liabilities due to Moody's adjustments**

<b>\$ thousands</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Net direct debt	\$28,044	\$27,572	\$26,643
Net pension liability, reported basis	(\$2,367)	\$2,137	\$0
<i>Discount rate</i>	7.19%	6.99%	0.00%
Net OPEB liability, reported basis	\$1,030	\$1,013	\$1,408
Adj. net pension liability	\$27,583	\$24,484	\$0
<i>Discount rate</i>	3.60%	4.22%	0.00%
Adj. net OPEB liability	\$992	\$972	\$1,407
Pension asset shock indicator	15%	10%	0%
Pension assets, % of revenue	301%	290%	0%
Shock return level	-8%	-9%	0%
Expected investment return volatility	15%	12%	0%

Source: West Salem School District, WI's financial statements and Moody's Investors Service

## ESG considerations

### Environmental

Environmental considerations are not material to the district's credit profile. According to data from Moody's affiliate Four Twenty Seven, La Crosse County's environmental hazard scores range from no risk to high risk for all five environmental factors: water stress, sea level rise, exposure to hurricanes and typhoons, extreme rainfall, and heat stress. The county has no to low risk to cyclone exposure, sea level rise and rainfall exposure. There is a moderate risk to water stress and high risk to heat exposure when compared to counties nationally. The firm measures heat stress as the relative change in both the frequency and severity of hot days, as well as average temperature. The biggest impact of heat exposure for most Midwest issuers will be to agriculture based economies.

### Social

Social considerations such as demographics, labor force, income and education are material considerations that influence the district's economy, demographic, financial and leverage trends. As of February 2021, La Crosse County's unemployment rate was 4%, below both the state (4.8%) and the nation (6.6%).

### Governance

The district has an informal general fund balance policy of 12% to 17% of annual budgeted expenditures. Reserves fell just below the policy in fiscal 2020, however officials expect fund balance to fall back in line with policy in fiscal 2021, due to a \$450,000 surplus.

Wisconsin school districts have an Institutional Framework score <sup>1</sup> of A. The state controls the bulk of revenue through per-pupil revenue limits, which are calculated annually and are based on enrollment changes, an inflationary increment and the prior year's revenue limit. The difference between a district's revenue limit and its general state aid is the maximum amount the district can generate via its property tax levy. Districts can request voter authorization to exceed property tax levy limits on either a recurring or non-recurring basis.

## Rating methodology and scorecard factors

The US K-12 Public School Districts Methodology includes a scorecard, a tool providing a composite score of a school district's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare school district credits.

Exhibit 4

### West Salem School District, WI

	Measure	Weight	Score
<b>Economy</b>			
Resident Income (MHI Adjusted for RPP / US MHI)	132.2%	10.0%	Aaa
Full value per capita (full valuation of the tax base / population)	101,921	10.0%	Aa
Enrollment trend (three-year CAGR in enrollment)	0.5%	10.0%	Aa
<b>Financial performance</b>			
Available fund balance ratio (available fund balance / operating revenue)	11.2%	20.0%	A
Net cash ratio (net cash / operating revenue)	1.6%	10.0%	Ba
<b>Institutional framework</b>			
Institutional Framework	A	10.0%	A
<b>Leverage</b>			
Long-term liabilities ratio ((debt + ANPL + adjusted net OPEB) / operating revenue)	241.3%	20.0%	Aa
Fixed-costs ratio (adjusted fixed costs / operating revenue)	11.0%	10.0%	Aaa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			A1
<b>Assigned Rating</b>			<b>A1</b>

Sources: US Census Bureau, West Salem School District, WI's financial statements and Moody's Investors Service

## Appendix

Exhibit 5

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income	Median Household Income (MHI), adjusted for Regional Price Parity (RPP), as a % of the US	MHI: American Community Survey (US Census Bureau) RPP: US Bureau of Economic Analysis
Full value (\$000)	Estimated market value of taxable property accessible to the district	State repositories, district's audited financial reports, offering documents or continuing disclosure
Population	Population of school district	American Community Survey (US Census Bureau)
Full value per capita	Full value / population of school district	
Enrollment	Student enrollment of school district	State data publications
Enrollment trend	3-year Compound Annual Growth Rate (CAGR) of Enrollment	State data publications; Moody's Investors Service
<b>Financial performance</b>		
Operating revenue (\$000)	Total annual operating revenue in what we consider to be the district's operating funds	Audited financial statements
Available fund balance (\$000)	Committed, assigned and unassigned fund balances in what we consider to be the district's operating funds	Audited financial statements
Net cash (\$000)	Net cash (cash and liquid investments minus short-term debt) in what we consider to be the district's operating funds	Audited financial statements
Available fund balance ratio	Available fund balance / Operating Revenue	Audited financial statements
Net cash ratio	Net Cash / Operating Revenue	Audited financial statements
<b>Leverage</b>		
Debt (\$000)	District's direct gross debt outstanding	Audited financial statements; official statements
ANPL (\$000)	District's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
OPEB (\$000)	District's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Long-term liabilities ratio	Debt, ANPL and OPEB liabilities as % of operating revenue	Audited financial statements, official statements; Moody's Investors Service
Implied debt service (\$000)	Annual cost to amortize district's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water (\$000)	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contributions (\$000s)	District's actual contribution in a given period, typically the fiscal year	Audited financial statements; official statements
Fixed-costs ratio	Implied debt service, pension tread water and OPEB contributions as % of operating revenue	Audited financial statements, official statements, pension system financial statements

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US K-12 Public School Districts Methodology](#).

Source: Moody's Investors Service

## Endnotes

- The institutional framework score categorically assesses whether a district has the legal ability to raise the bulk of its operating revenue at the local level or if the state determines the bulk of its operating revenue. Beyond the local versus state categorization, the strength of the institutional framework score is a measure of the district's flexibility in raising additional locally determined operating revenue. See [US K-12 Public School Districts Methodology](#) for more details.

© 2021 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody.com](http://www.moody.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

## CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454