

CITY OF WOONSOCKET, RHODE ISLAND
GO BOND RATING HISTORY --JANUARY 2010 TO PRESENT

	Moody's	Fitch
January 2010	Baa2	BBB+
April 2010	Ba1 (On Review for Possible Downgrade)	BBB+
Rating Action	Downgrade	No change
Factors	Deterioration of the City's financial position, sizable accumulated deficit, and lack of liquidity with increased reliance on cash flow borrowing	
May 2010	Ba1 (On Review for Possible Downgrade)	BBB- (Rating Watch Negative)
Rating Action	No change	Downgrade and Placed on "Rating Watch Negative"
Factors	Rapid and significant deterioration of financial position, negative unreserved fund balance, and \$1.3mm deficit in school unrestricted fund	
July 2010	Ba1 (Stable)	BBB- (Rating Watch Negative)
Rating Action	Outlook changed to Stable	No change
Factors	Planned issuance of deficit reduction notes and no planned cashflow borrowing as well as the City's willingness to address structural challenges	
December 2010	Ba1 (Stable)	BBB- (Negative)
Rating Action	No change	Outlook changed to Negative
Factors	Successful sale of deficit reduction notes, but outlook reflects concern over ability to maintain balanced City and School budgets	
December 2011	Ba1 (Stable)	BBB- (Rating Watch Negative)
Rating Action	No change	Placed on "Rating Watch Negative"
Factors	Projected \$2.6 million School Fund deficit reported, contrary to prior estimated positive ending balance	
January 2012	Ba2 (Negative)	BBB- (Rating Watch Negative)
Rating Action	Downgrade & Outlook Negative	No change
Factors	Continued deterioration of the City's school operating financial position despite issuance of deficit bonds	
March 2012	Ba2 (On Review for Possible Downgrade)	BB- (Rating Watch Negative)
Rating Action	Placed on "On Review for Possible Downgrade"	Downgrade and Placed on "Rating Watch Negative"
Factors	City announcement that school operations are running a deficit in FY12 that may require City to issue TANs to continue school operations	
May 2012	B2 (On Review for Possible Downgrade)	B (Negative)
Rating Action	Downgrade	Downgrade and Outlook revised to Negative
Factors	Continued deterioration of the City's school operation position and severely weak liquidity position	
August 2012	B2 (Negative)	B (Negative)
Rating Action	Revised outlook to Negative	No Change
Factors	Reflects challenges that the city faces in renegotiating with its collective bargaining units to make operating expenditure cuts	
June 2013	B3 ("On Review for Possible Downgrade")	B (Negative)
Rating Action	Downgrade and Placed "On Review for Possible Downgrade"	No Change
Factors	Second consecutive year the City required state aid advances to avoid defaulting on near-term debt service payments and continued school fund operating deficits. "Review for Downgrade" looks at the July debt service payment in light of severe liquidity issues as well as the likelihood of implementing a balanced budget for 2014 and a 5-year deficit reduction plan	
July 2013	B3 (Negative)	B (Stable)
Rating Action	Confirmed Rating, Removed from "On Review for Downgrade"	Revised outlook from Negative to Stable
Factors	City faces challenges in implementing substantial operating cuts while raising revenues to eliminate the large accumulated deficit to obtain structural balance	
June 2014	B3 (Stable)	B (Stable)
Rating Action	Revised outlook from Negative to Stable	No Change
Factors	Reflects recent progress that the City has made in implementing substantial operating expenditure cuts while simultaneously raising revenues to eliminate the large accumulated deficit and obtain structural balance in accordance with the newly adopted deficit reduction plan.	

Source: Moody's and Fitch Rating Reports