

Office of the Chief Financial Officer

DATE: July 10, 2013

TO: Pat Skorkowsky

FROM: Jeff Weiler 

SUBJECT: Bond Ratings

Recently, the District's financial advisor and I held discussions with the three bond rating agencies in preparation for a bond refinancing. We have been aware that a rating downgrade could be triggered if the District was unable to maintain its reserve levels, and continued to have a decline in fund balance. We have heard back from two of those agencies.

The District has now been notified that Fitch has downgraded the District's bond ratings from an (A+) to an (A), while assigning a negative outlook.

Standard & Poor's has reaffirmed their previous rating of (AA-), while maintaining a negative outlook.

The major factors cited in the downgrade were labor relations, fund balance still being too low, and a lagging economy. Also, looking forward, both Fitch and Standard & Poor's note there is a challenge to meet future general obligation debt service requirements solely from property tax revenues.

Please let me know if you have any questions.

c: Members, Board of School Trustees
Amanda Fulkerson