



Spotsylvania's Current Bond Ratings

Rating Agency	General Obligation Bonds	EDA Revenue Bonds	Utilities Revenue Bonds
Moody's	Aa1	Aa2	Aa3
Fitch	AAA	AA+	AA-
Standard & Poor's	AA+	AA	AA

The following table shows the various tiers of potential bond ratings. Spotsylvania's General Obligation ratings are highlighted yellow. All outstanding bonds of the County are rated as very strong investment grade bonds.

	Moody's	S&P	Fitch		
Top Tier "Highest Possible Rating"	Aaa	AAA	AAA		
2 nd Tier "Very Strong"	Aa1	AA+	AA+	Highest	Investment Grade
	Aa2	AA	AA	Middle	
	Aa3	AA-	AA-	Lowest	
3 rd Tier "Strong"	A1	A+	A+	Highest	Investment Grade
	A2	A	A	Middle	
	A3	A-	A-	Lowest	
4 th Tier "Adequate Capacity to Repay"	Baa1	Baa+	Baa+	Highest	Investment Grade
	Baa2	Baa	Baa	Middle	
	Baa3	Baa-	Baa-	Lowest	
5 th – 10 th Tiers "Below Investment Grade"	BB, B, CCC, CC, C, D				Below Investment Grade

Moody's

Rating	Definition
Aaa	Obligations rated 'Aaa' are judged to be of the highest quality, with minimal credit risk.
Aa	Obligations rated 'Aa' are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk.
Baa	Obligations rated 'Baa' are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.
B	Obligations rated 'B' are considered speculative and are subject to high credit risk.
C	Obligations rated 'C' are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.
Numbers:	Moody appends numerical modifiers 1,2 and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of the generic rating category.

Standard & Poor's (S&P)

Rating	Definition
AAA	An obligation rated 'AAA' has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
AA	An obligation rated 'AA' differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.
A	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
B	An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.
C	The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on the obligation are being continued.
D	An obligation rated 'D' is in payment default.
Plus (+) or minus (-)	The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Fitch

Rating	Definition
AAA	Highest Credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High Credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that there is currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest invest grade category.
B	Highly Speculative. 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic conditions.
C	Default is imminent.
RD	Entity that has failed to make due payments.
D	Indicates an entity or sovereign that has defaulted on all of its financial obligations.
Plus (+) or minus (-) Modifiers	Modifiers may be appended to a rating to denote relative status within major rating categories.