

Standard & Poor's Raises LACCD's Bond Rating to "AA+," Praises District's Management and Commitment to Strong Reserves; Taxpayers to Save Money as a Result

LACCD also receives a positive financial audit, more examples of commitment to reform and best practices

Los Angeles, December 1, 2014 -- The Los Angeles Community College District Board of Trustees today announced that Standard & Poor's rating services have upgraded the District's rating from "AA" to "AA+," which will result in savings to taxpayers due to reduced borrowing costs. The ratings increase reflects the strong management of the District by the Board and the Chancellor, and the many steps the District has taken to ensure strong financial performance.

"We are pleased by S&P's confidence in the District, which we believe is justified by our unrelenting commitment to best practices, whether it be in the classroom, in our financial management, or on the construction site," said Scott Svonkin, President of the LACCD Board of Trustees. "It's often said that if you manage well in the hard times, the good times will be even better, and we are proud that the prudent and sometimes tough decisions we've made as trustees are now bearing fruit, as reflected in our strong financial ratings and audits."

The District also announced that the accounting firm of KMPG LLP has delivered its annual independent audit of the District's financial records and accounts and found that the District's financial statements fairly reflected the District's financial position, and that the District was following generally accepted accounting principles.

"KMPG's latest audit shows that we are continuing our successful reform of the District and our Building Program," said Steve Veres, the vice president of the LACCD Board of Trustees and chair of the District's Facilities Committee. "Ensuring student success requires that we have confidence in our financial systems, and this audit makes it clear that our controls are strong."

Standard & Poor's released a statement explaining its upgrade of the District's rating.

"The higher rating reflects our view of district management's continued strong commitment to maintaining what we consider a good reserve level," said Standard & Poor's credit analyst Lisa Schroeer in her credit report.

Standard & Poor's also assigned an 'AA+' rating to the District's upcoming tax-exempt and taxable bonds and its 2015 refunding bonds.

"The rating reflects our opinion of the district's good financial performance, with a history of strong general fund reserves," said Ms. Schroeer.

The ratings increase will result in savings to the District taxpayers, who voted in 2001, 2003, and 2008 to authorize bonds to pay for a more than \$6 billion modernization of the District's nine community college campuses and its headquarters and satellite locations, according to the district's financial consultant.

"S&P's ratings are at the pinnacle for a large and diverse district such as LACCD," said David Brodsky, Managing Director, KNN Finance, which advises the District. "These ratings are a reflection of the District's commitment to long-term financial stability and its strong management."