

## Pima County Community College District, AZ's GO Debt Rating Raised To 'AA' From 'AA-' On Strong Financial Performance

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NEW YORK (Standard & Poor's) May 27, 2010--Standard & Poor's Ratings Services raised its long-term rating to 'AA' from 'AA-' on Pima County Community College District, Ariz.'s general obligation (GO) bonds. The outlook is stable.

"We base the upgrade on what we view as the district's consistent strong financial performance coupled with its flexibility to raise revenue as well as manage costs," said Standard & Poor's credit analyst Sussan Corson.

The rating reflects our opinion of the district's:

- Large and diverse tax base situated in Pima County and the City of Tucson;
- Strong historical and projected financial operations; and
- Low debt levels, with limited future financing plans.

These strengths are mitigated somewhat, in our view, by projected declines in the county tax base in the next several years, although management indicates that the district could raise rates to maintain operating and debt service tax levies to offset any assessed value declines.

The GO bonds are secured by an unlimited ad valorem tax on taxable property.

The stable outlook reflects what we consider the district's growing full-time student equivalents and positive financial operations as well as our expectation that it will continue to maintain a good financial position due to

its flexibility in raising revenues despite recent and projected tax base declines.

RELATED CRITERIA AND RESEARCH

USPF Criteria: GO Debt, Oct. 12, 2006

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