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Standard & Poor's upgrades Arapahoe County's bond rating

Refinancing of debt in 2015 saves \$1.55 million and results in a AA rating from the previous AA-

LITTLETON, CO --- Standard & Poor's increased Arapahoe County's bond rating to AA from AA- after the County refinanced \$25.2 million in Certificates of Obligation at an interest rate of 1.32 percent – saving \$1.55 million in debt service over the remaining six years of the loan.

Certificates of Obligation, or COPs, are a widely-used form of lease financing for public facilities, and Arapahoe County issued COPs in 2003 to fund the construction of CentrePoint Plaza in Aurora and the Sheriff's Administration/Coroner's Facility in Centennial.

"Arapahoe County Commissioners have worked hard over the past 10 years to improve the financial position of the County," said Commissioner Rod Bockenfeld. "It is great to see our efforts pay off by reducing the County's financial expense in the future."

As part of the refunding process, Standard & Poor's reviewed the County's credit rating on this debt and upgraded it to AA, citing strong management with good financial policies and practices.

In its letter to Arapahoe County, Standard & Poor's highlighted several County financial practices, such as:

- A well-defined forecasting methodology, quarterly presentations and analysis of budget-to-actual expenses;
- Integrated five-year financial forecast;
- Annually updated five-year capital plan that includes projects and associated funding sources;
- A well-defined investment policy;
- A formal reserve policy that calls for the County to set aside 11 percent of the current general fund operating budget in a separate fund for reserves.

Standard and Poor's also cited Arapahoe County's strong and diversified local economy, low debt burden and strong budgetary flexibility with an available fund balance equaling 24 percent of annual operating expenses.

Moody's Investor Services maintained its credit rating of Aa2 as well, which is the equivalent of S&P's AA rating. Both ratings indicate a very strong capacity to meet its financial commitments and differs from the highest-rated obligors only to a small degree.

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