County of San Luis Obispo

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COUNTY OF SAN LUIS OBISPO REPORTS AN UPGRADED BOND FUND RATINGS

SAN LUIS OBISPO, CA – April 23, 2014 – San Luis Obispo County is pleased to announce that Fitch Ratings has upgraded the County's bond rating.

Fitch Ratings has recently upgraded San Luis Obispo County's Pension Obligation Bonds series 2003A, 2003C, 2009A, General Obligation (GO) ratings and Lease Revenue Refunding Bonds Series 2012A from AA to AA+, as well as Implied GO rating from AA+ to AAA. "An upgrade at the end of an economic downturn is quite an accomplishment. It is a reflection of our conservative fiscal policies and the strong working relationship between the Board of Supervisors, the County Administrative Officer, my office, and all County employees," stated Jim Erb, the County's Auditor-Controller-Treasurer-Tax Collector.

"Because of the pay and pension reform implemented by the Board of Supervisors and a more robust budgetary process, we are emerging from the recession in a stronger fiscal condition than when we entered it," commented Dan Buckshi, the County Administrative Officer.

In addition, on March 21, 2014, Fitch issued their annual rating of the County's Treasury Pool. Once again the Treasury Pool was rated AAA/V1, the highest rating. AAA/V1 rating represents a high quality credit portfolio with a low sensitivity to market risk. Both of these reports can be viewed on the Treasurer's website at http://www.slocounty.ca.gov/tax.htm.

Fitch Ratings is a fund and asset manager rating group and global leader in credit ratings and research. Key rating drivers that Fitch used to assess San Luis Obispo County were strong financial performance through the recession, stable local economy, very strong liquidity, stable tax base, and a very low debt profile.

Fitch Ratings decision was based in part on the County demonstrating consistent strong financial performance due largely to conservative budgeting and planning. Management proactively established a five-year plan in 2007 to address expected budgetary pressures that was later extended to seven years due to the longer than expected economic recovery. The County took a variety of actions to close budget gaps over the last six years and in fiscal year 2013-14 budget is expected to break even or have a small surplus. Overall, the County expects to emerge from the fiscal downturn in a strong financial position.

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