

Grossmont-Cuyamaca Community College District

Election of 2012
General Obligation Bonds Series B
& 2018 Refunding Bonds

Credit Rating Presentation

May 24, 2018



GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT



Grossmont-Cuyamaca Community College District Financing Team

Grossmont-Cuyamaca Community College District

- **Cindy L. Miles, Ph.D. *Chancellor***
- **Sue Rearic, *Vice Chancellor, Business Services***



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

Bond Counsel - Stradling Yocca Carlson & Rauth

- **David Casnocha, *Esq.***
- **Kimberly Westberry, *Esq.***

Stradling
Attorneys at Law

Financial Advisor – KNN Public Finance

- **Joanna Bowes, *Managing Director***



Senior Manager - RBC Capital Markets

- **Rod Carter, *Managing Director***
- **Christen Villalobos, *Director***



RBC Capital Markets®

Table of Contents

- 1. General District Information**
- 2. District Finances**
- 3. District Tax Base Information**
- 4. Funding and Facilities Plan**
- 5. Community Information**
- 6. Plan of Finance**
- 7. Conclusion**

General District Information

Section 1



GROSSMONT-CUYAMACA

COMMUNITY COLLEGE DISTRICT



District Organization

Board Members



Bill Garrett
President
14th year
11 yrs president



Edwin Ramon Hiel
Vice President
8th year



Debbie Justeson
Clerk
8th year



Greg Barr
Trustee
12th year



Elena Adams
Trustee
2nd year



Brandon Vivero
(Student Trustee)



Kyrie Macogay
(Student Trustee)



Dr. Cindy L. Miles
Chancellor
10th year

Chancellor's Cabinet



Dr. Julianna Barnes
President, Cuyamaca College
3rd year



Dr. Nabil Abu-Ghazaleh
President, Grossmont College
3rd year



Sue Rearic
Vice Chancellor, Business Services
12th year (30+ years w/GCCCD)



Tim Corcoran
Vice Chancellor, Human Resources
8th year (10th year w/GCCCD)

Grossmont-Cuyamaca Community College District Quick Facts

Established in **1961**, two accredited, HSI institutions:
Grossmont and **Cuyamaca Colleges**

Grossmont College: 168 degree/certificate programs

Cuyamaca College: 165 degree/certificate programs

Serves **nearly 30,000 credit students** each year

- 2017-18 FTES: **19,783**
- **>19,000 adult education** students

Nearly **1/3** of area high school graduates start at Grossmont or Cuyamaca College

One in three East County residents have attended

District population: **410,000**

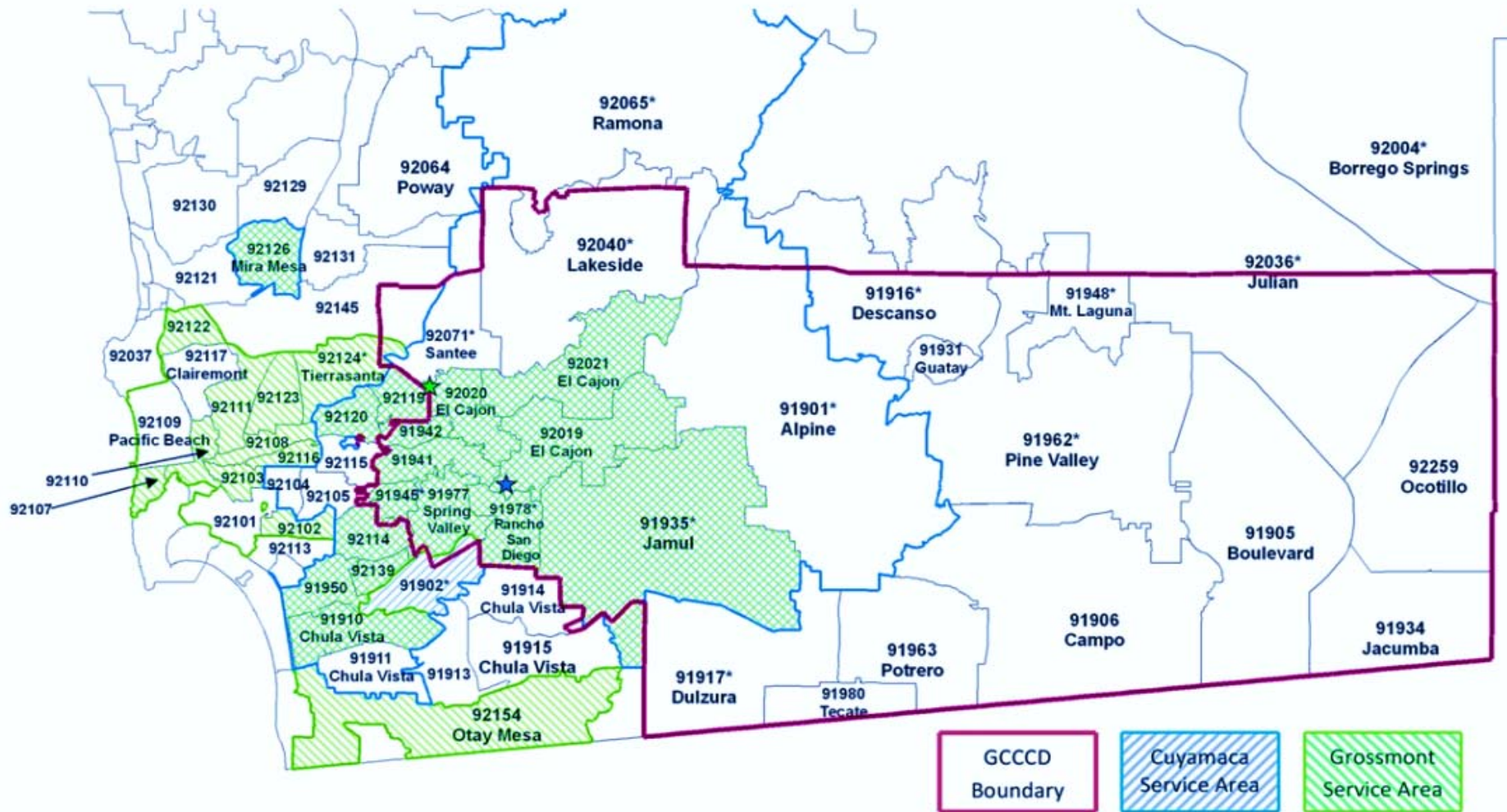
2017-18 AV: **\$48,047,706,557**

Third largest employer in region

>\$1 billion in increased economic activity each year⁽¹⁾



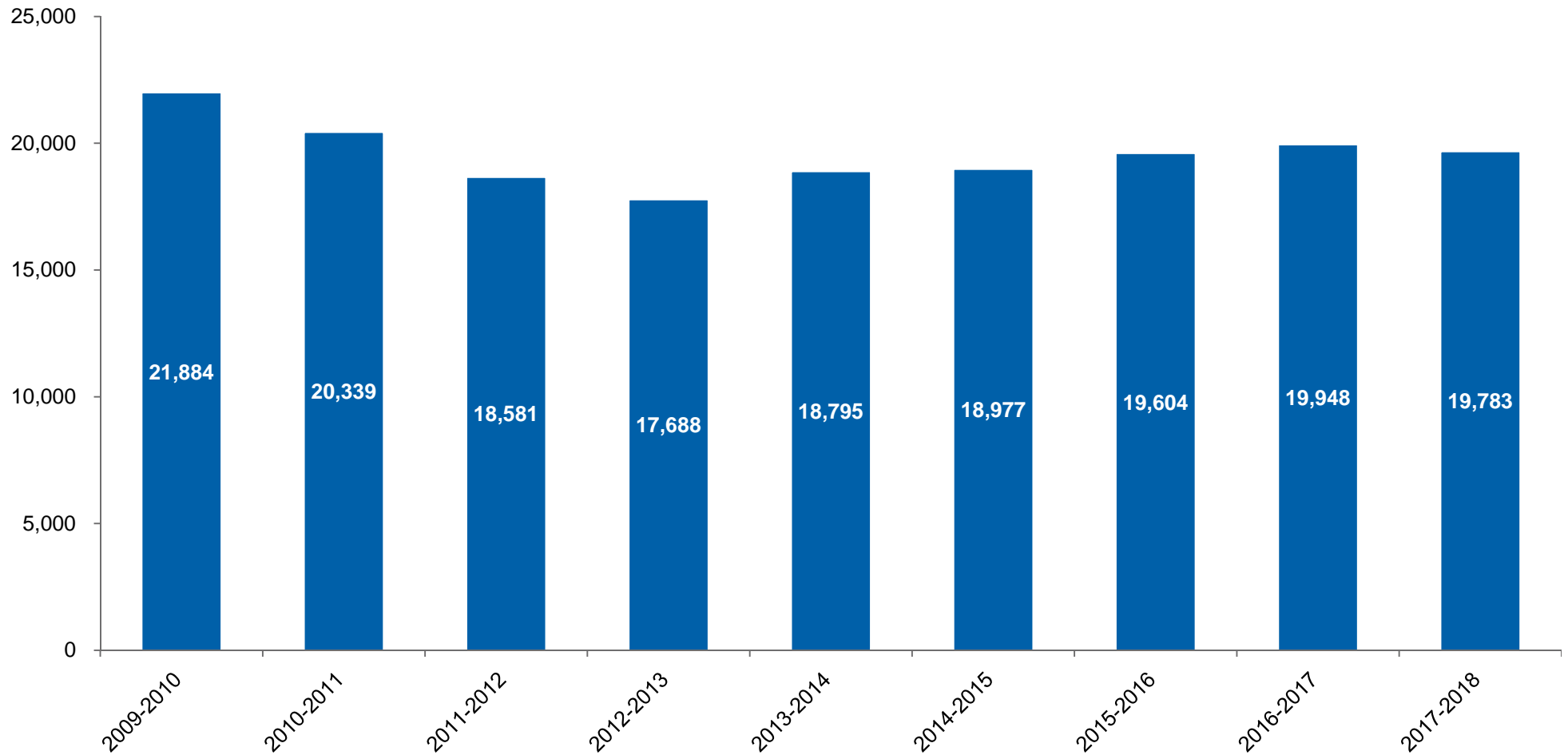
District Boundary and Communities



District encompasses 1,138 square miles in East San Diego County, extending to Imperial County to the east and Mexico to the south.

- Cities of **El Cajon**, **La Mesa**, **Lemon Grove**, and **Santee**, as well as unincorporated areas of **Alpine**, **Jamul**, **Lakeside** and **Spring Valley**.
- 20-minute drive east from central San Diego; > 1/3 **GCCCD students** come from surrounding areas.

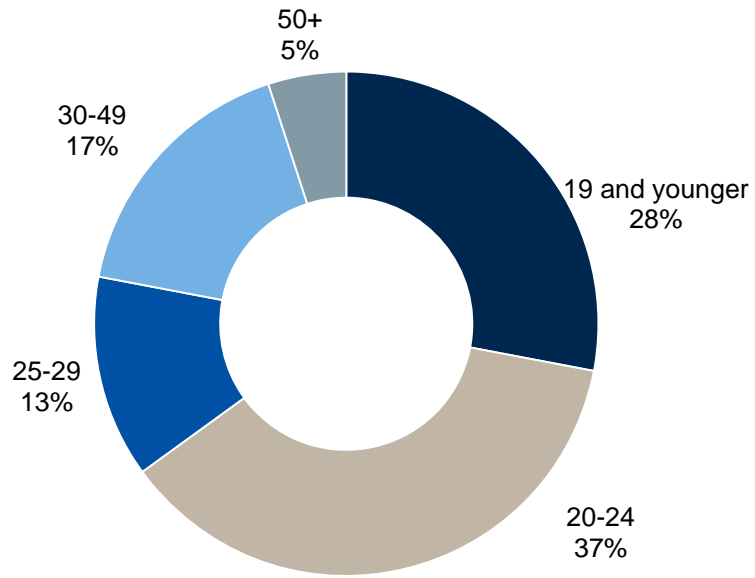
FTES History Since Fiscal Year 2009-10



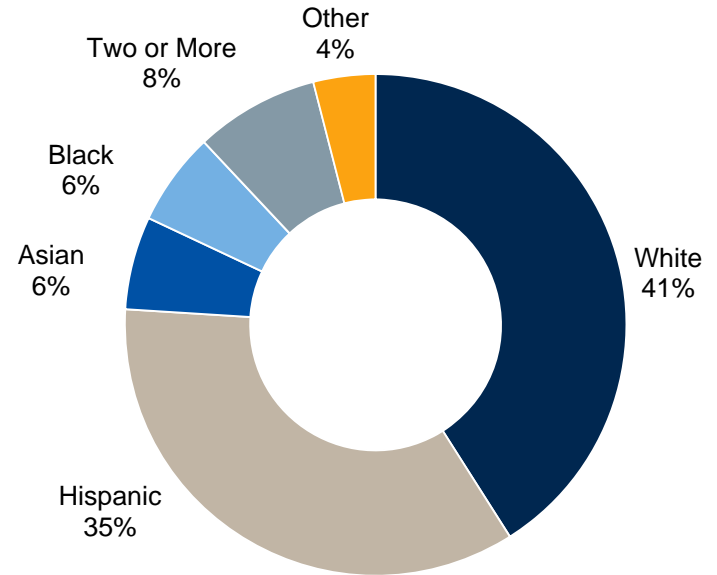
- FTES has remained relatively stable over the past 5 years following the decline after the recession
- FTES is projected to be **19,520** in 2018-2019

District Student Profile

District Distribution by Age



District Distribution by Ethnicity



Specialized Programs

Grossmont College

- Allied Health and Nursing
- Administration of Justice
- Cardiovascular Technology
- Child Development
- Culinary Arts
- Forensic Technology
- Theater Arts
- International Business
- Tourism Management
- Web Design



Cuyamaca College

- Automotive Technology
- Business management
- Child Development
- Craft industries/Entrepreneurism
- Engineering
- Environmental Health and Safety Management
- Graphic Design
- Ornamental Horticulture
- Paralegal Studies
- Water/Wastewater Technology
- Viticulture



The Foundation for Grossmont & Cuyamaca Colleges



The **Foundation** for
Grossmont & Cuyamaca Colleges



Values

The power of higher education

Making a difference in our community

Responsible stewardship

Accountability to our community

Diverse backgrounds and ideas

Tangible outcomes

The transformative power of philanthropy

- More than **\$2.66 million raised** to support 175 student programs **since 2011**
- 232 students awarded **\$130,000 scholarships**
- **Net asset value of \$9.68 million** as of June 30, 2017*
- **~\$500,000** annually to support Colleges

GROSSMONT
CUYAMACA **COLLEGE**
PROMISE

- More than **\$1.4 million** pledged to date

External Grant Funding

GCCCD has a strong grants development program, which has more than doubled grant funding since 2010.

2017-18 grant awards = \$23.45 million

Following are some of the current grants received from federal, state, and local sources:

- America's Promise
- Assessment & Remediation
- Basic Skills Pilot
- BiNational Border Health Initiative
- California Acceleration Project (CAP)
- California Career Pathways Trust
- California Promise Innovation
- CTE Data Unlocked and CTE Pathway
- Cyber Patriot Program
- California Guided Pathways
- Health Deputy Sector Navigator
- Foster & Kinship Care Education
- Grossmont Healthcare District
- Head Start
- Hunger Free Campus
- Infant/Toddler Demonstration Site
- National Science Foundation Center for Water Studies
- Pre-Apprenticeship Mobile Lab
- Prop 39 Clean Energy
- Public Safety Advisory
- Puente Project
- Quality Preschool for All
- San Diego State University Summer Bridge
- San Diego Intergenerational Garden Project
- Strong Workforce Regional Netlab
- Title V – *Via Rapida*
- Title III STEM Guided Pathways
- Zero Textbook Cost

Community Partnerships

- **East County Education Alliance** – Partnership with Grossmont Union High School District (12 feeder high schools) to provide a seamless pathway to college and a career for East County students
- **Grossmont-Cuyamaca College Promise** – A free year of tuition at Grossmont and Cuyamaca Colleges for first-time students attending full time
- Annual **Got Plans? college fair** – 5,000+ East County high school students and parents
- **Health professions training** for Sharp Grossmont Hospital, Sharp Rees-Stealy Hospital, Kaiser Permanente, and other area hospitals and clinics
- Annual **Sustainable Landscape Conference** – 300+ industry professionals
- Annual **Spring Garden Festival** featuring Cuyamaca College's ornamental horticulture program, co-hosted by **Heritage of the Americas Museum** and **Water Conservation Garden** – 4,000+ visitors



Ford Motor Company



CALIFORNIA
COMMUNITY
COLLEGES
SAN DIEGO
IMPERIAL
COUNTIES
REGIONAL
CONSORTIUM



District Finances

Section 2



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT



Financial Management Policies

Conservative revenue and expenditure assumptions

- General fund projections outlined in adopted budget
- Assumptions developed using third-party advisors – Community College League of California, School Services of California, California Community College Chancellors Office
- Preliminary budget framework – early Spring; tentative budget – June; finalize budget – September

Budget updates multiple times during fiscal year – Quarterly reports to the Board of Trustees

- Form CCFS 311Q - Reflects status of operating budget and Budget-to-Actual Performance
- Proposition V status of General Obligation bond program
- Board of Trustees Budget Study Sessions twice a year

Periodic Reports

- Actuarial Study reflecting OPEB obligations and assets every two years
- Capital Improvement Plan Updates twice a year
- Board of Trustees receives quarterly investment report

Debt Issuance and Management Policy

- Board adoption on April 17, 2018

Reserves and Ending Balances

District General Fund Budgeting – Restricted and Unrestricted

	2014-15		2015-16		2016-17		2017-18	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Forecasted Actuals
Revenues								
Federal	2,768,202	2,349,115	3,325,692	3,203,703	4,590,464	4,537,726	10,361,851	8,750,000
State	68,554,326	76,923,576	82,493,790	99,513,058	104,669,323	104,184,017	112,841,243	111,500,000
Local	49,376,782	46,643,040	54,240,332	51,574,558	55,039,377	55,572,845	57,430,041	54,000,000
Total Revenues	\$120,699,310	\$125,915,731	\$140,059,814	\$154,291,319	\$164,299,164	\$164,294,588	\$180,633,135	\$174,250,000
Expenditures								
Academic Salaries	48,248,370	47,141,380	52,631,986	48,551,030	55,429,598	52,688,965	55,413,288	53,300,000
Classified Salaries	26,900,239	24,952,636	28,780,459	27,299,187	30,932,210	29,365,954	32,202,286	31,800,000
Employee Benefits	24,653,245	24,367,786	28,373,688	29,777,212	30,602,326	33,638,801	35,171,310	34,700,000
Supplies and Materials	4,624,394	3,435,881	5,851,683	4,148,671	6,359,775	3,299,951	6,436,905	5,200,000
Other Operating Ex. and Services	19,016,409	20,338,739	26,186,651	20,670,271	56,642,155	34,208,956	66,038,928	53,500,000
Capital Outlay	1,973,351	1,470,060	2,095,562	1,248,817	1,969,852	1,592,556	3,811,055	1,600,000
Total Expenditures	\$125,416,008	\$121,706,482	\$143,920,029	\$131,695,188	\$181,935,916	\$154,795,183	\$199,073,772	\$180,100,000
Excess/(Deficiency)	(4,716,698)	4,209,249	(3,860,215)	22,596,131	(17,636,752)	9,499,405	(18,440,637)	(5,850,000)
Other Financing Sources	0	4,213	0	13,364	0	642,706	0	0
Other Outgo	2,565,680	3,462,792	3,378,862	6,270,043	5,156,927	7,609,779	6,531,737	3,800,000
Net Change in Fund Balance	(7,282,378)	750,670	(7,239,077)	16,339,452	(22,793,679)	2,532,332	(24,972,374)	(9,650,000)
Beginning General Fund	13,050,069	13,050,069	13,800,739	13,800,739	30,140,191	30,140,192	32,672,524	32,672,524
Ending General Fund	\$5,767,691	\$13,800,739	\$6,561,662	\$30,140,191	\$7,346,512	\$32,672,524	\$7,700,150	\$23,022,524
Ending General Fund as								
Percent of Total Expenditures	4.60%	11.34%	4.56%	22.89%	4.04%	21.11%	3.87%	12.78%

Notes on Forecast:

Unrestricted Funds: The District has an Income Allocation Model that stipulates a % contingency reserve from total funds available, then allocates all other available funds to the sites based on a formula.
 Restricted Funds: The District budgets income as grants and allocations are approved. Many of these revenues are for multiple years and are reimbursed based on expenses. Therefore, some of the budget will carryover to next year.

District General Fund Budgeting – Unrestricted

	2014-15		2015-16		2016-17		2017-18	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Forecasted Actuals
Revenues								
Federal	0	0	0	0	0	0	0	0
State	52,947,760	58,455,354	58,416,949	65,131,458	61,723,920	66,041,956	63,892,141	61,000,000
Local	44,919,031	44,059,867	49,837,425	48,710,467	50,902,483	52,701,759	53,583,672	54,000,000
Total Revenues	\$97,866,791	\$102,515,221	\$108,254,374	\$113,841,925	\$112,626,403	\$118,743,715	\$117,475,813	\$115,000,000
Expenditures								
Academic Salaries	44,002,531	43,824,526	47,321,407	43,685,331	49,094,655	47,419,050	48,528,065	47,300,000
Classified Salaries	21,822,410	20,088,494	22,808,923	21,313,683	23,672,412	22,241,076	23,532,765	22,500,000
Employee Benefits	22,532,278	22,353,597	24,220,739	26,242,725	26,206,909	28,524,525	29,643,644	28,600,000
Supplies and Materials	2,318,420	1,371,560	2,660,229	1,138,264	2,820,105	1,124,156	2,718,014	2,500,000
Other Operating Ex. and Services	12,555,245	11,817,279	15,568,635	11,324,298	19,214,819	11,812,826	17,548,596	17,300,000
Capital Outlay	1,015,432	603,371	710,666	254,371	713,779	493,109	579,959	525,000
Total Expenditures	\$104,246,316	\$100,058,827	\$113,290,599	\$103,958,672	\$121,722,679	\$111,614,742	\$122,551,043	\$118,725,000
Excess/(Deficiency)	(6,379,525)	2,456,394	(5,036,225)	9,883,253	(9,096,276)	7,128,973	(5,075,230)	(3,725,000)
Other Financing Sources	1,547,091	(1,232,797)	1,440,088	(3,505,387)	2,758,839	(4,375,815)	0	0
Other Outgo	620,797	1,461,463	825,257	2,995,320	681,653	3,692,024	651,357	520,000
Net Change in Fund Balance	(5,453,231)	(237,866)	(4,421,394)	3,382,546	(7,019,090)	(938,866)	(5,726,587)	(4,245,000)
Beginning General Fund	11,220,922	11,220,922	10,983,056	10,983,056	14,365,602	14,365,603	13,426,737	13,426,737
Ending General Fund	\$5,767,691	\$10,983,056	\$6,561,662	\$14,365,602	\$7,346,512	\$13,426,737	\$7,700,150	\$9,181,737
Ending General Fund as Percent of Total Expenditures	5.53%	10.98%	5.79%	13.82%	6.04%	12.03%	6.28%	7.73%

Alternate Sources of Liquidity

	Fund Balance As of 6/30/2017	Projected Fund Balance As of 6/30/2018
Reserves by Fund Type		
Capital Outlay Fund	\$ 10,081,829	\$ 6,000,000
Funds held at the County for OPEB	330,000	1,430,000
Bookstore Fund	737,224	453,777
District Trust Fund	694,014	300,000
Scholarship and Loan Fund	450,462	200,000
Cuyamaca College Student Center Fund	146,406	97,000
Associated Students of Cuyamaca College	93,184	29,856
Grossmont College Student Rep. Fee Trust Fund	223,279	220,279
Cuyamaca College Student Rep. Fee Trust Fund	82,192	82,217
Totals:	\$ 12,838,590	\$ 8,813,129

Employee & Labor Relations

As of May 1, 2018, the District had **775** full-time/contract employees:

- 298 academic professionals
- 372 classified professionals
- 79 managers and supervisors
- 26 confidential administrators/executive assistants

In addition, the District employs **1,045** part-time faculty and **465** short-term non-academic staff.

Bargaining Units	FY	Salary Provision
American Federation of Teachers, Local 1931 <i>Contract: November 2014 – June 2017</i> 298 Full-Time Employees, 1,045 Adjunct Employees	2015-16	4.82%
	2016-17	-
	2017-18	Pending
California School Employees Association, Ch. 707 <i>Contract: January 2017 – December 2019</i> 372 Employees	2015-16	6.26%
	2016-17	-
	2017-18	Pending
Administrators Association <i>Contract: January 2014 – December 2016</i> 79 Employees	2015-16	5.40%
	2016-17	-
	2017-18	Pending

Other Post Employment Benefits

- The District provides post-employment health benefits in keeping with employment contracts to eligible retirees (through age 65) and eligible dependents
- Adopted Budget for Post-Retirement Benefits 2017-18 = \$1,908,958
- Irrevocable Trust established May 2016; current balance = **\$7,778,174**

	Faculty	Classified	Certificated Management	Classified Management
Benefit types provided	Medical and Dental	Medical and Dental	Medical and Dental	Medical and Dental
Duration of Benefits	To age 65	To age 65	To age 65	To age 65
Required Service	10 years	10 years	10 years	10 years
Minimum Age	55	50	50	50
Dependent Coverage	Yes	Yes	Yes	Yes
College Contribution %	100%	100%	100%	100%
College Cap	None	None	None	None

OPEB Program Funding Status*	
Total Postemployment Benefit Liabilities	\$19,534,814
Projected Cost for 2017-18 Pay-As-You-Go*	\$1,673,557
Annual Required Contribution (ARC)	\$2,631,274
Unfunded Actuarial Accrued Liability (UAAL)	\$11,799,383
Funds in Irrevocable Trust and Reserves Held by San Diego County as of 6/30/2017	\$8,027,344

*According to November 1, 2015 Actuarial Study
 Note: Actuarial Study uses fiscal year starting November 1

CalSTRS & CalPERS Contributions

The District makes 100% of required contributions to CalSTRS and CalPERS

- Consistently sets aside funds for future increases based on available State funding and one-time funds

Pursuant to A.B.1469 and the 2016 CalPERS downwards adjustment of its discount rate, the K-14 district contribution rates will increase in accordance with the following schedule:

STRS Contribution			
Effective Date (July 1)	Contribution Rate	Contribution Increase	Dollar Contribution
2017	14.43%	1.85%	\$7,246,992
2018	16.28%	1.85%	\$8,205,464
2019	18.13%	1.85%	\$9,199,732
2020	19.10%	0.97%	\$9,819,426

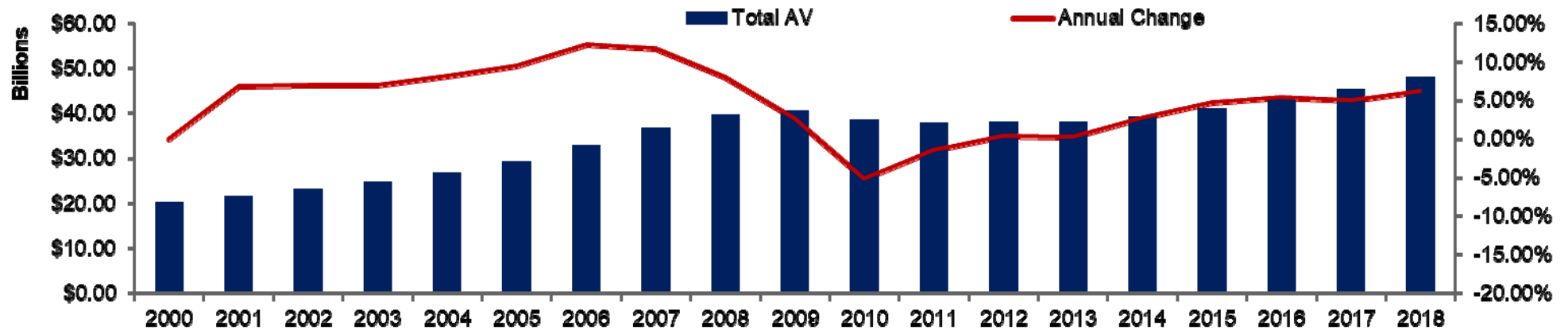
PERS Contribution			
Effective Date (July 1)	Contribution Rate	Contribution Increase	Dollar Contribution
2017	15.53%	1.65%	\$4,684,419
2018	18.10%	2.57%	\$5,527,089
2019	20.80%	2.70%	\$6,401,839
2020	23.80%	3.00%	\$7,418,870

District Tax Base Information

Section 3



GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT



Assessed Valuation and Historical Growth

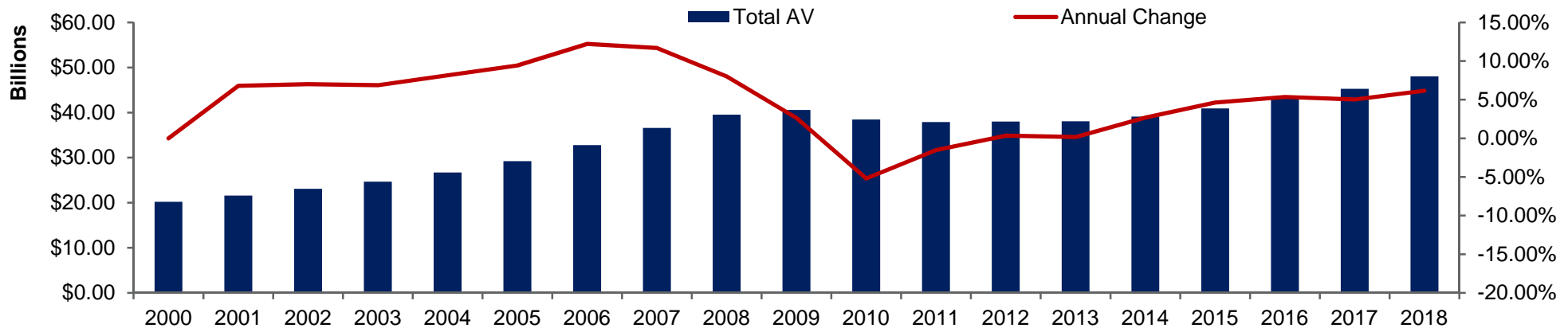
Grossmont-Cuyamaca CCD Historical AV

Year	Secured	Utility	Unsecured	Total AV	Annual Change	15 Year Compounded Annual Growth	10 Year Compounded Annual Growth
1999-2000	19,586,582,978	3,165,400	623,531,817	20,213,280,195	-	-	-
2000-2001	20,887,235,036	3,140,434	693,192,680	21,583,568,150	6.78%	-	-
2001-2002	22,302,897,161	3,282,309	787,601,513	23,093,780,983	7.00%	-	-
2002-2003	23,897,086,354	3,187,408	780,086,491	24,680,360,253	6.87%	-	-
2003-2004	25,822,495,309	7,188,865	862,528,775	26,692,212,949	8.15%	-	-
2004-2005	28,296,810,342	4,551,391	908,256,492	29,209,618,225	9.43%	-	-
2005-2006	31,818,404,976	6,115,022	952,519,224	32,777,039,222	12.21%	-	-
2006-2007	35,507,169,068	5,969,359	1,091,819,046	36,604,957,473	11.68%	-	-
2007-2008	38,348,048,593	4,027,169	1,185,199,296	39,537,275,058	8.01%	-	-
2008-2009	39,341,823,243	2,541,155	1,236,110,641	40,580,475,039	2.64%	-	-
2009-2010	37,234,370,970	2,549,807	1,234,152,330	38,471,073,107	-5.20%	-	-
2010-2011	36,706,055,808	2,562,077	1,177,888,844	37,886,506,729	-1.52%	-	-
2011-2012	36,885,876,537	2,623,643	1,129,007,918	38,017,508,098	0.35%	-	-
2012-2013	36,984,526,951	2,626,966	1,089,913,743	38,077,067,660	0.16%	-	-
2013-2014	38,023,758,520	2,520,896	1,071,663,041	39,097,942,457	2.68%	-	-
2014-2015	39,831,842,272	2,645,730	1,073,032,633	40,907,520,635	4.63%	-	-
2015-2016	42,007,168,942	2,657,343	1,085,355,229	43,095,181,514	5.35%	-	-
2016-2017	44,139,202,768	2,389,405	1,116,501,462	45,258,093,635	5.02%	-	-
2017-2018	46,917,784,783	2,734,112	1,127,187,662	48,047,706,557	6.16%	4.54%	1.97%



GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

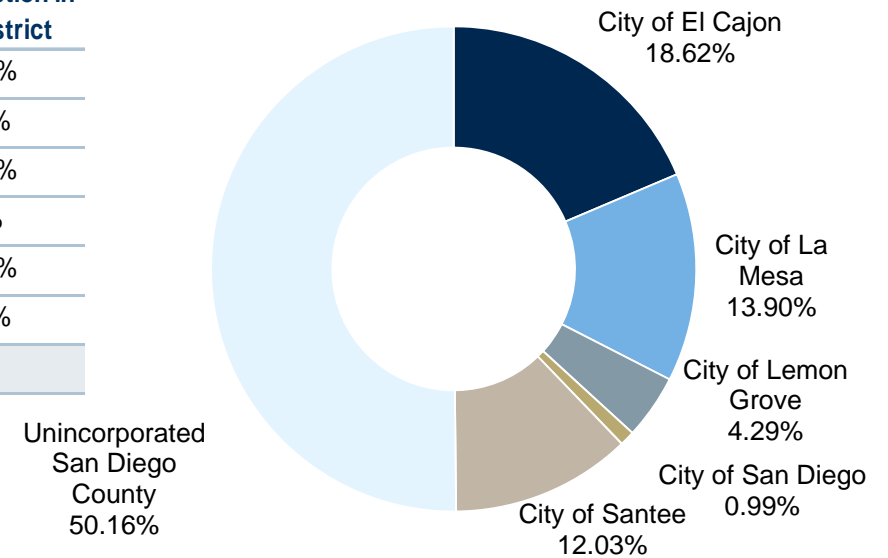
Summary Statistics Fiscal Year 2017-18	
Assessed Valuation (AV)	\$48,047,706,557
District Population	409,596
AV per Capita	\$117,305



District Assessed Valuation by Jurisdiction and Land Use

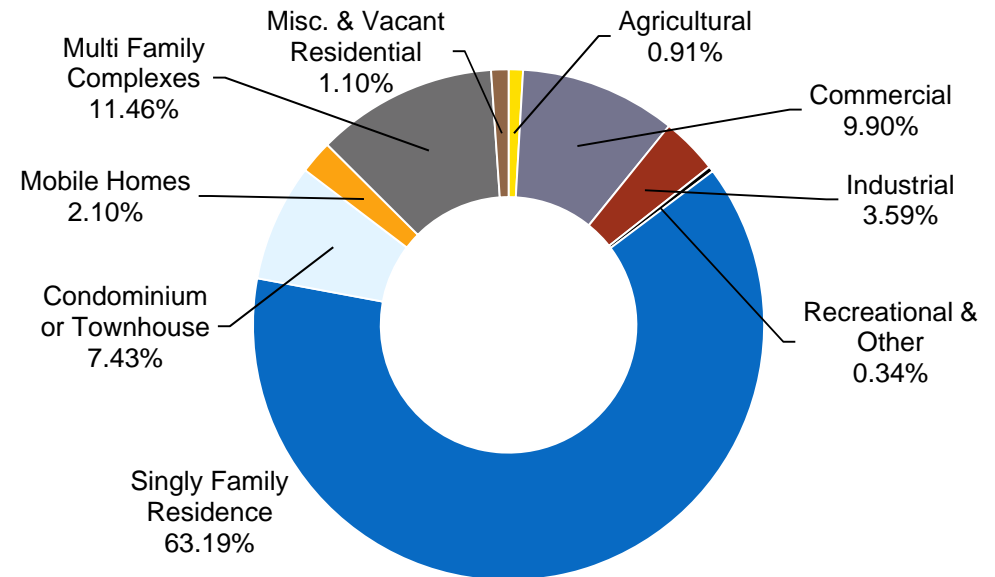
2017-18 Assessed Valuation by Jurisdiction

Jurisdiction	AV in School District	% of School District	% of Jurisdiction in School District
City of El Cajon	8,947,833,568	18.62%	100.00%
City of La Mesa	6,680,781,424	13.90%	99.94%
City of Lemon Grove	2,062,936,767	4.29%	100.00%
City of San Diego	477,976,875	0.99%	0.20%
City of Santee	5,779,469,964	12.04%	100.00%
Unincorporated San Diego County	24,098,707,959	50.16%	34.36%
Total	48,047,706,557	100.00%	



2017-18 Assessed Valuation by Land Use

Land Use	2017-18	Percentage
Agricultural	425,468,564	0.91%
Commercial	4,642,569,386	9.90%
Industrial	1,684,633,511	3.59%
Recreational & Other	157,775,605	0.34%
Total Non Residential	6,910,447,066	14.73%
Singly Family Residence	29,647,173,806	63.19%
Condominium or Townhouse	3,487,586,389	7.43%
Mobile Homes	984,043,593	2.10%
Multi Family Complexes	5,374,724,568	11.46%
Misc. & Vacant Residential	513,809,361	1.10%
Total Residential	40,007,337,717	85.27%
Total Secured AV	46,917,784,783	100.00%



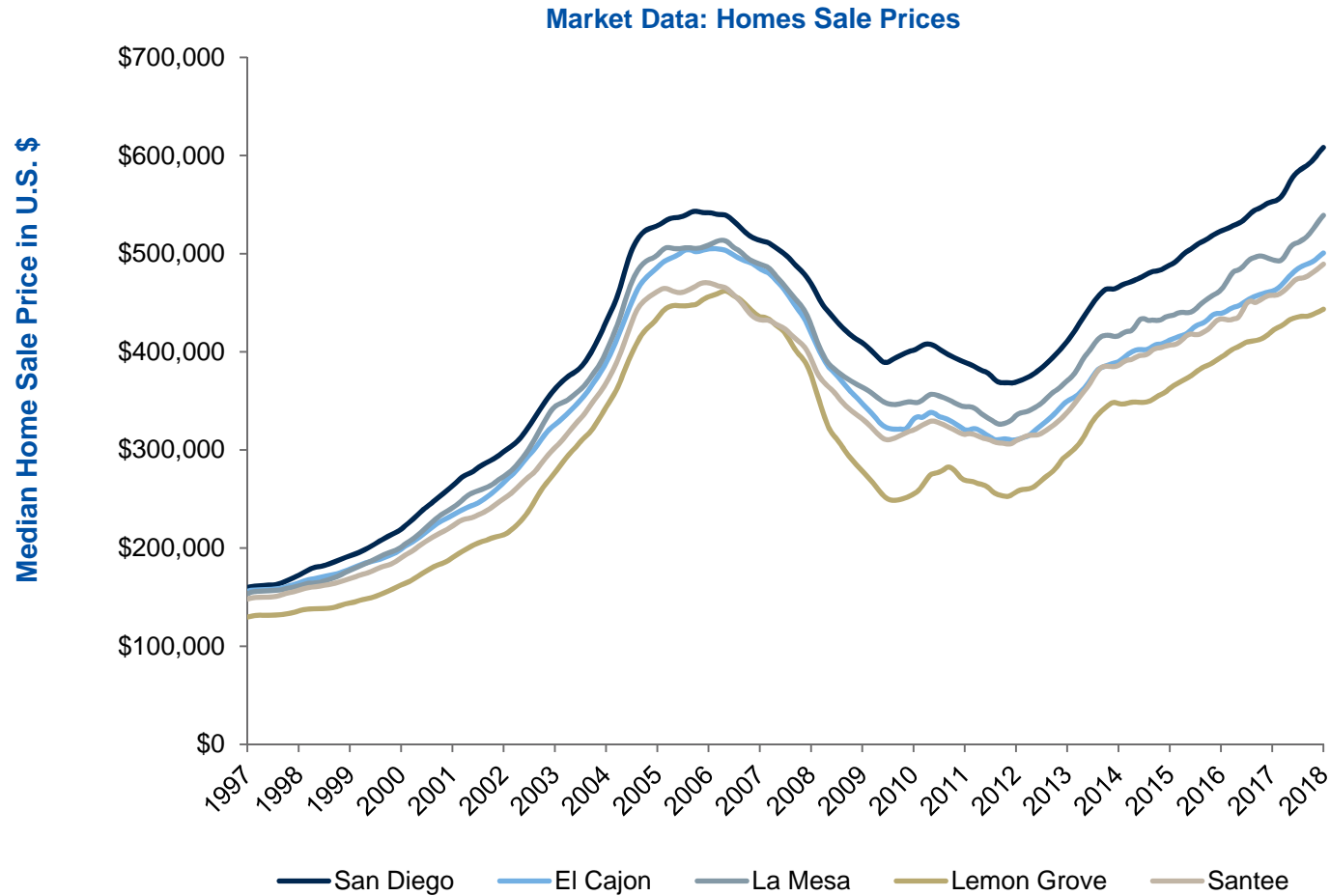
2017-18 Assessed Valuation - Single Family Homes

Singe Family Residential	# of Parcels	2017-18 AV	Average AV	Median AV
	90,911	\$29,647,173,806	\$326,112	\$307,000

2017-18 AV	# of Parcels	% of Total	Total Valuation	% of Total
\$0 - \$49,999	2020	2.22%	\$81,727,895	0.28%
\$50,000 - \$99,999	8,343	9.18%	603,543,812	2.04%
\$100,000 - \$149,999	6,183	6.80%	779,406,048	2.63%
\$150,000 - \$199,999	8,161	8.98%	1,436,208,469	4.84%
\$200,000 - \$249,999	10,055	11.06%	2,260,534,352	7.62%
\$250,000 - \$299,999	9,321	10.25%	2,560,232,426	8.64%
\$300,000 - \$349,999	9,011	9.91%	2,924,286,852	9.86%
\$350,000 - \$399,999	9,062	9.97%	3,394,033,978	11.45%
\$400,000 - \$449,999	8,453	9.30%	3,580,725,913	12.08%
\$450,000 - \$499,999	6,243	6.87%	2,945,811,910	9.94%
\$500,000 - \$549,999	3,993	4.39%	2,085,281,883	7.03%
\$550,000 - \$599,999	2,912	3.20%	1,664,610,451	5.61%
\$600,000 - \$649,999	2,171	2.39%	1,348,914,126	4.55%
\$650,000 - \$699,999	1,457	1.60%	977,069,444	3.30%
\$700,000 - \$749,999	1,127	1.24%	813,327,520	2.74%
\$750,000 - \$799,999	748	0.82%	577,439,086	1.95%
\$800,000 - \$849,999	468	0.52%	384,678,409	1.30%
\$850,000 - \$899,999	328	0.36%	286,034,441	0.96%
\$900,000 - \$949,999	248	0.27%	227,990,924	0.77%
\$950,000 - \$999,999	130	0.14%	125,752,912	0.42%
\$1,000,000 and greater	477	0.53%	589,562,955	1.99%
Total	90,911	100%	29,647,173,806	100%

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Home Sale Price Trends



Median Home Price

	2010	2011	2012	2013	2014	2015	2016	2017	2018*
San Diego	391,300	368,300	405,300	464,100	486,000	521,000	551,500	603,400	608,200
El Cajon	323,200	310,100	346,000	388,500	409,700	439,000	460,800	497,200	500,700
La Mesa	345,200	330,700	366,600	415,700	435,400	459,700	495,400	533,900	539,100
Lemon Grove	272,000	254,200	291,200	348,400	359,000	391,600	417,400	441,100	443,400
Santee	317,100	306,600	333,900	384,900	405,800	431,700	457,100	485,700	489,300

* Data from January

District's Largest Secured Taxpayers 2017-18

Rank	Property Owner	Primary Land Use	2017-18 Assessed Value	% of Total
1	Conrad Prebys Trust	Apartments	\$428,453,107	0.91%
2	Star-West Parkway Mall LP	Shopping Center	243,717,716	0.54%
3	Villa Marina Del LLC	Apartments	160,344,000	0.34%
4	Fairfield Grossmont Trolley LLC	Apartments	108,041,998	0.23%
5	Rainbow Investment Co.	Shopping Center	102,629,697	0.22%
6	BRE Paragon MF Alvista Baltimore CA	Apartments	70,635,000	0.15%
7	Wal-Mart Real Estate Business Trust	Commercial	70,417,505	0.15%
8	Waring Garden LP	Apartments	69,550,000	0.15%
9	SP Lavida Real LLC	Convalescent Home	69,033,954	0.15%
10	MMGER	Apartments	60,831,915	0.13%
11	Forest Park Fee Owner LLC	Apartments	59,535,877	0.13%
12	VSCRE Holdings LLC	Convalescent Home	56,813,135	0.12%
13	Essex JMS Acquisition LP	Apartments	56,359,877	0.12%
14	Parc One LP	Apartments	56,327,000	0.12%
15	FRG Corona Pointe LLC	Apartments	54,871,945	0.12%
16	ABS CA-O LC	Commercial	53,370,333	0.12%
17	GKN Aerospace Chem-Tronics Inc.	Industrial	49,631,028	0.11%
18	Vestar Kimco Santee LP	Shopping Center	49,241,589	0.10%
19	Home Depot USA Inc.	Commercial	46,854,427	0.10%
20	Kaiser Foundation Health Plan Inc.	Professional Building	44,939,930	0.10%
Total Top 20			\$1,911,600,033	4.07%

2017-18 Local Secured AV

\$46,917,784,783

Direct and Overlapping Debt

2017-18 Assessed Valuation: \$48,047,706,557

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/17
Metropolitan Water District	1.663	\$1,245,670
Grossmont-Cuyamaca Community College District	100.000	221,660,377⁽²⁾
Grossmont Union High School District	100.000	540,264,538
Mountain Empire Unified School District	100.000	1,515,000
Cajon Valley Union School District	100.000	173,251,012
La Mesa-Spring Valley Union School District	100.000	24,489,849
Lakeside Union School District	100.000	40,406,358
Santee School District	100.000	53,035,308
Other School Districts	100.000	44,502,602
Grossmont Healthcare District	92.792	242,491,784
City of La Mesa	99.942	20,747,959
City of La Mesa 1915 Act Bonds	100.000	2,925,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,366,535,457

OVERLAPPING GENERAL FUND DEBT:

San Diego County General Fund Obligations	9.686	28,203,695
San Diego County Pension Obligation Bonds	9.686	54,098,732
San Diego County Superintendent of Schools Obligations	9.686	1,110,016
Grossmont-Cuyamaca Community College District General Fund Obligations	100	790,000
Cajon Valley Union School District Certificates of Participation	100	23,725,000
Alpine Union School District Certificates of Participation	100	3,415,000
La Mesa-Spring Valley School District General Fund Obligations	100	12,530,837
Santee School District General Fund Obligations	100	30,459,849
City of La Mesa General Fund Obligations	99.942	3,243,118
City of San Diego General Fund Obligations	0.211	1,197,341
City of Santee General Fund Obligations	99.997	374,989
San Miguel Consolidated Fire Protection District Certificates of Participation	98.929-100	7,783,868
TOTAL OVERLAPPING GENERAL FUND DEBT		\$166,932,445

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): **136,920,012**

COMBINED TOTAL DEBT **\$1,670,387,914⁽³⁾**

(1) Based on 2016-17 ratios

(2) Excludes the Bonds described herein, but includes the Refunded Bonds

(3) Excludes TRANS, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations

Summary of Debt per 2017-18 Assessed Value

Direct Debt	0.46%
(\$221,660,377)	
Total Direct and Overlapping Tax and	2.84%
Combined Direct Debt	0.46%
(\$222,450,377)	
Combined Total Debt	3.48%

Summary of Debt per Capita

Direct Debt	541
(\$221,660,377)	
Total Direct and Overlapping Tax and	3,336
Combined Direct Debt	543
(\$222,450,377)	
Combined Total Debt	4,078

Funding & Facilities Plan

Section 4



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT



Grossmont College

- First courses offered in **1961**
- 135-acre mesa in northwest El Cajon
- Serves almost **19,000** students every semester
- Offers **168 associate degree and certificate programs** (university transfer, nursing, allied health, administration of justice, forensic technology, theatre, music, and culinary arts)
- Awards **4,200+** degrees and certificates



Student Services and Administration



Griffin Center



Health & Sciences Complex

Cuyamaca College

- Opened **1978** on 165-acres in Rancho San Diego
- Serves almost **9,000** students each term
- Offers **165 associate degree and certificate programs** (university transfer, ornamental horticulture, automotive technology, environmental health & safety, water and wastewater technology)
- Awards **1,300+** degrees and certificates



District Bond Elections – Proposition R and Proposition V



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT



Proposition R – Election of 2002

Purpose of the Election: On November 5, 2002, at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed \$207,000,000 principal amount of general obligation bonds to finance the acquisition, construction and modernization of certain property and District facilities.

Total Authorization: **\$207,000,000**

Estimated Tax Rate (Per \$100,000 Assessed Value): **\$24.89**

Passage Rate: **60% - YES**

Remaining Authorization: **\$0**

Proposition V – Election of 2012

Purpose of the Election: To prepare upgrade career training facilities for science, medical, public safety, in-demand fields, create a Veterans Support Center on each campus, modernize technology in classrooms, libraries, science labs, improve disabled persons access, upgrade, construct, acquire classrooms, facilities, sites/equipment, etc.

Total Authorization: **\$398,000,000**

Estimated Tax Rate (Per \$100,000 Assessed Value): **\$16.94**

Passage Rate: **58% - YES**

Remaining Authorization: **\$192,000,000 (After Series B)**

Proposition R Overview

Proposition R, for \$207 million, was passed with 60.2% voter support on November 5, 2002.
The total authorization for this proposition has been used.

- **Defeasement of 1999 Lease Revenue Bonds**
- **6 major projects at Cuyamaca College:**
Communication Arts Center, Student Center, Business and Technology, Science and Technology Center, Automotive Technology, LRC renovation/expansion
- **8 major projects at Grossmont College:** Digital Arts/Sculpture, Exercise Science & Wellness, Griffin Center, Student Services/Administration, Health Sciences, Learning & Technology Resource Center, Parking Structure, Science Building
- **Energy Conservation projects**
- **Life-safety, roadway projects**



Proposition V Overview

Following new **Education Master Plan & Facilities Master Plan to define District needs, Proposition V**, for **\$398 million**, passed with 58.2% voter support on November 6, 2012

The District issued **Series 2013A bonds** to fund:

Districtwide

- District & Community Conference Center design
- Technology Infrastructure Projects
- Sustainability/Energy Efficiency/Utilities Projects

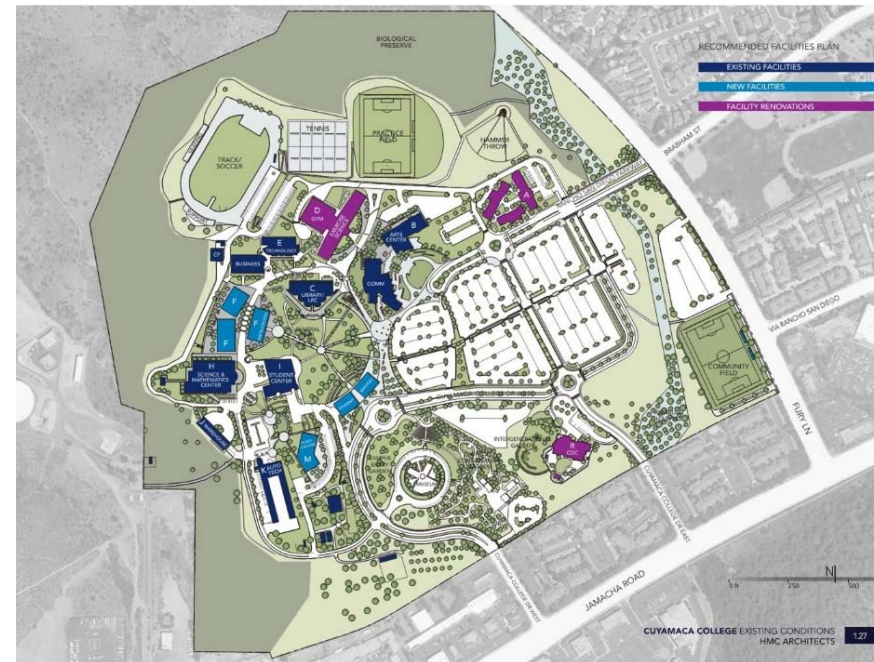
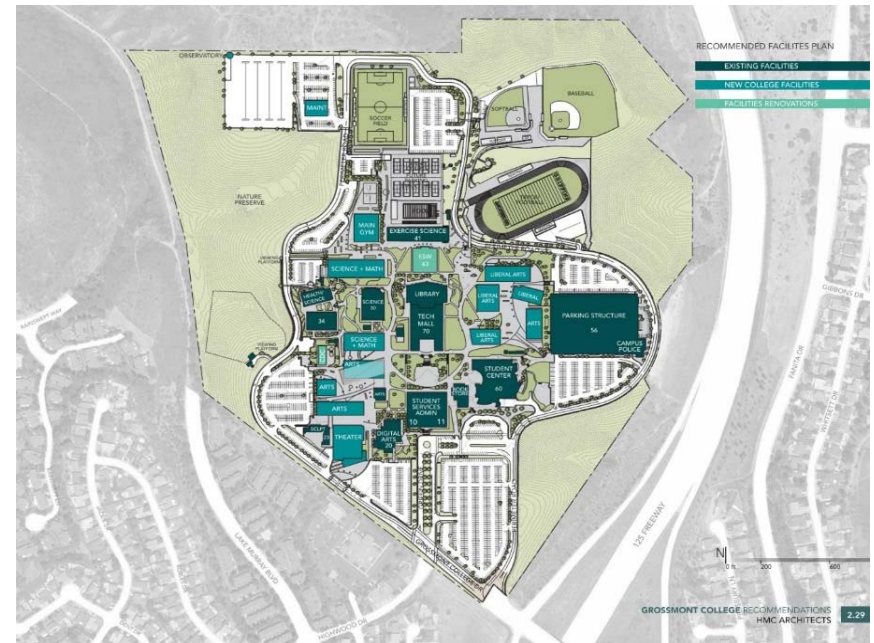
Grossmont College

- Main Chiller
- Phase I – Performing & Visual Arts Center
- Phase I – Science, Math, Career Tech Complex\
- Liberal Arts/Business Tech Complex design

Cuyamaca College

- Exercise Science Renovation
- Water/Waste Water Tech Center –Bldg L remodel
- Ornamental Horticulture Complex renovation
- Student Services & Administration Building design

Series 2018B will be directed to fund the next phase of projects at each site.



Community Information

Section 5



GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT



Communities and Cities Served by GCCCD

City of El Cajon



Land Area (2010): **14.43 square miles**
2016 Population: **103,768**
2016 Median Family Income: **\$46,374**
2015 Median Housing Value: **\$369,000**

Current Events

El Cajon City Councils have begun the process of allocating block grants for 2018



City of La Mesa



Land Area (2010): **9.08 square miles**
2016 Population: **59,948**
2016 Median Family Income: **\$56,693**
2015 Median Housing Value: **\$421,200**

Current Events

La Mesa looking to tax medical marijuana dispensaries



Communities and Cities Served by GCCCD

City of Lemon Grove



Land Area (2010): **3.88 square miles**
2016 Population: **26,860**
2016 Median Family Income: **\$58,694**
2015 Median Housing Value: **\$346,400**

Current Events

Lemon Grove is poised to sell lots to nonprofit land trust to build houses reserved for middle-class families



City of Santee



Land Area (2010): **16.23 square miles**
2016 Population: **57,834**
2016 Median Family Income: **\$77,460**
2015 Median Housing Value: **\$363,000**

Current Events

Large number of housing developments are currently under construction



Economic Development: City of El Cajon

Residential Development



- Almost **300** new homes are currently under construction in El Cajon
- DP Homes will open the second phase of its Park Ave Row development in 2018, comprising **103 new townhomes**
- Other developments recently opened or soon to open include the Mary Street Residential, Everly by Shea Homes, and Camden Yards developments

Hotel Openings



- El Cajon's **first four-star hotel** opened February 22, 2018: four-story, 88,000 square-foot **Courtyard by Marriott** in Downtown El Cajon
- **Hilton** plans to open a **96-room Hampton Inn** on the north side of the city. The development is set to break ground later this year.

General Business Development



- El Cajon consolidated its **Planning, Engineering, and Building and Housing Services** into a single streamlined **Project Assistance Center in October 2017** to expedite permit processing times
- Recent retail openings include **Panera, Chipotle, and Dunkin Donuts**
- In 2017, **Fox Shocks** completed a major factory expansion
- **GKN Aerospace** is expanding the number of jobs at its facility due to new agreements with Rolls-Royce and the US Air Force

Economic Development: City of La Mesa

Villea at Lake Murray



- Complex features **27 new townhomes**, each averaging more than 1,000 square feet
- Onsite amenities will include a clubhouse and lifestyle center, fitness center, spa, and secured parking
- The Villea's central location is within walking distance of La Mesa's scenic Lake Murray

La Mesa Summit Estates



- La Mesa Summit Estates will be a **gated community of 30 homes**
- The new project is located on a hill overlooking the coast, and every home will feature views of the Pacific Ocean, Table Top Mountain in Mexico, and the Coronado Islands
- The project will break ground in summer of 2018

Briercrest



- Briercrest is a **130,000 square-foot retirement community** that will house 150 residents and provide both independent and assisted living
- The development will feature 50,000 square feet of common space, including community meeting rooms, a theatre, and a pool
- The project began in October 2017 and is set to open at the beginning of 2019

Economic Development: City of Lemon Grove

Celsius Apartments



- Opened in 2017, Celsius consists of **84 market-rate condominium units**
- The development features a 2,200 square-foot common space with an outdoor patio and 650 square-foot fitness room
- The Celsius project is directly across the street from the Lemon Grove Trolley Station, providing direct access to Downtown San Diego and all that it has to offer

Grove Lofts



- The Grove Lofts development will feature **16 units of studio apartments**
- The project has 2,016 square feet of usable open within a common gathering area, each unit will also have a 75 square-foot balcony
- The project broke ground in the fall of 2017 and are expected to open later this year

New Business Activity



- Retail openings within the last year include **Ryan Brothers Coffee, Lemon Grove Bakery, and Smart and Final**
- **13 Point Brewing Company** is set to open Lemon Grove's first brewery later this year, featuring a seven-barrel brewhouse with a tasting room open to the public

Economic Development: City of Santee

New Housing Stats



- As of January 2018, **500 homes** were under construction, with an additional **3,500 new homes** under review
- Recent completed developments include **Mission Trails, Lantern Crest Villas, ParcOne, El Nopal Estates**, and the **Brown development**, comprising a total of **256 new units**
- Of the thousands of potential new homes currently under construction or under reviews, two are described in greater detail below:

River Village



- **82 single-family homes** within walking distance of Grossmont College
- Home prices start at \$700,000
- The development is located on the Walker Preserve Trail which provides access to hiking, bike trails, and fishing locations

Weston



- The Weston housing development by Pardee Homes will feature **415 new, single family homes**
- Located above the scenic Santee Lakes, the Weston will feature 95 acres of open spaces, a recreation center, and five acres of public parks
- Homes in the development will have sweeping views of Santee toward El Cajon and beyond

Major Industries in San Diego County

Defense

- San Diego has the **largest concentration of military and defense assets in the world** and is homeport to more than **60% of the ships in the U.S. Pacific Fleet** and more than **1/3 of the combat power** of the U.S. Marine Corps. The defense industry represents **one in every four jobs** in the region.
- The direct economic impact of the military spending in San Diego is **\$20.6 billion**



Life Sciences

- Major corporations located in San Diego include Amylin Pharmaceuticals, Arena Pharmaceuticals, DJO Global, Gen-Probe Inc., Genentech, Illumina, Isis Pharmaceuticals, Life Technologies, Quidel and ResMed
- San Diego's biotech cluster attracts more than **60% of venture capital** invested in the region with a 2011 total of **\$893 million**



Software

- San Diego's **information and communications technology industry** employs more than **72,000** people and has a **\$9.8 billion** annual economic impact on the region
- Over the past decade, tech employment has grown by **almost 30%** and is expected to continue producing jobs



Tourism

- Known for its idyllic climate, pristine beaches and dazzling array of family attractions, including San Diego Zoo, SeaWorld and Legoland
- Visitors spend **\$7.5 billion** annually at thousands of businesses in the County. This equates to **\$17.1 billion** in economic impact for the region

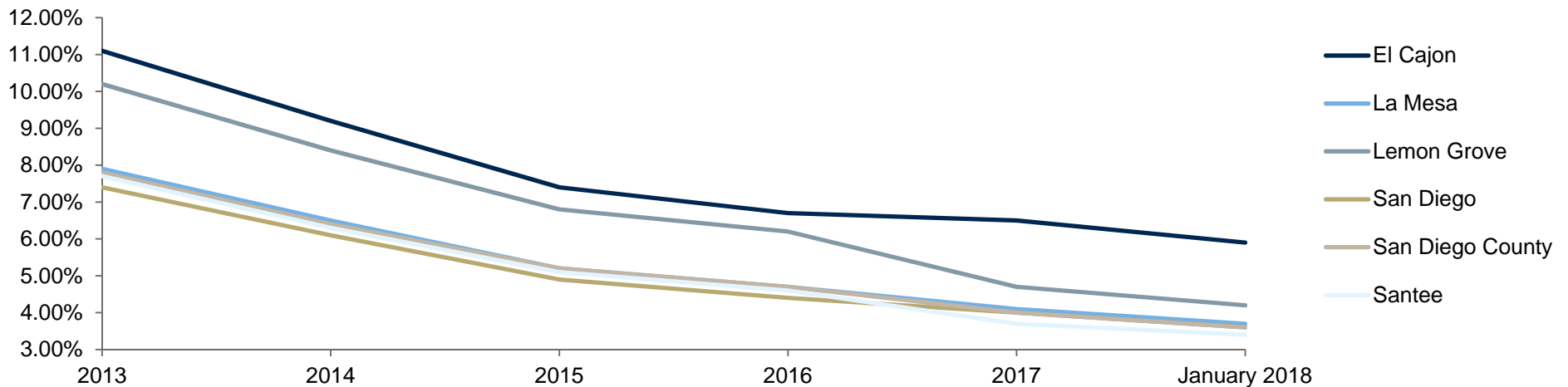


Unemployment Data

	Labor Force	Employment	Unemployment	Unemployment Rate
Calendar Year 2013				
El Cajon	46,000	40,900	5,100	11.10%
La Mesa	30,400	28,000	2,400	7.90%
Lemon Grove	12,400	11,100	1,300	10.20%
San Diego	691,600	640,100	51,500	7.40%
San Diego County	1,543,200	1,422,500	120,700	7.80%
Santee	28,700	26,500	2,200	7.70%
Total	2,352,300	2,169,100	183,200	7.79%
Calendar Year 2014				
El Cajon	45,700	41,500	4,200	9.20%
La Mesa	30,400	28,400	2,000	6.50%
Lemon Grove	12,300	11,300	1,000	8.40%
San Diego	692,300	650,000	42,400	6.10%
San Diego County	1,543,700	1,444,500	99,300	6.40%
Santee	28,700	26,900	1,800	6.30%
Total	2,353,100	2,202,600	150,700	6.40%
Calendar Year 2015				
El Cajon	45,800	42,400	3,400	7.40%
La Mesa	30,600	29,000	1,600	5.20%
Lemon Grove	12,400	11,500	800	6.80%
San Diego	697,800	663,400	34,300	4.90%
San Diego County	1,554,800	1,474,400	80,400	5.20%
Santee	29,000	27,500	1,500	5.10%
Total	2,370,400	2,248,200	122,000	5.15%

	Labor Force	Employment	Unemployment	Unemployment Rate
Calendar Year 2016				
El Cajon	46,100	43,000	3,100	6.70%
La Mesa	30,900	29,400	1,500	4.70%
Lemon Grove	12,500	11,700	800	6.20%
San Diego	705,000	673,600	31,300	4.40%
San Diego County	1,570,400	1,497,000	73,500	4.70%
Santee	29,300	27,900	1,300	4.60%
Total	2,394,200	2,282,600	111,500	4.66%
Calendar Year 2017				
El Cajon	46,100	43,100	3,000	6.50%
La Mesa	29,400	28,200	1,200	4.10%
Lemon Grove	12,400	11,900	600	4.70%
San Diego	684,400	657,400	27,100	4.00%
San Diego County	1,585,000	1,521,500	63,500	4.00%
Santee	28,100	27,000	1,000	3.70%
Total	2,352,300	2,169,100	183,200	7.79%
January 2018				
El Cajon	45,900	43,200	2,700	5.90%
La Mesa	29,300	28,200	1,100	3.70%
Lemon Grove	12,400	11,900	500	4.20%
San Diego	683,100	658,900	24,300	3.60%
San Diego County	1,581,900	1,525,000	56,900	3.60%
Santee	28,000	27,100	900	3.40%
Total	2,380,600	2,294,300	86,400	3.63%

Historical Unemployment Rates per City



Plan of Finance

Section 6



GROSSMONT-CUYAMACA

COMMUNITY COLLEGE DISTRICT

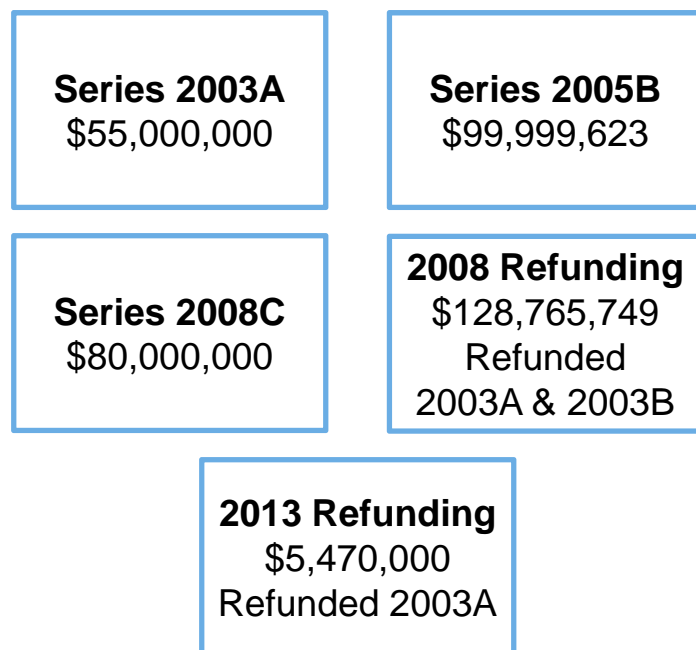


Outstanding Debt and Issuance History

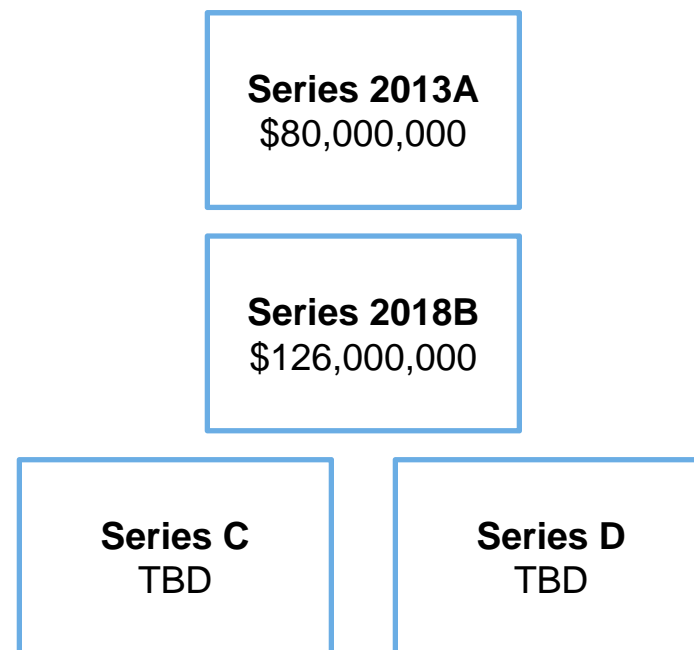
Summary of Outstanding G.O. Debt

Description	Sale Date	Par Issued	Par Outstanding	Callable Outstanding	Debt Type	Tax Status	Call Date	Use of Proceeds
Election of 2002, Series B (2005)	06/02/2005	\$99,999,623	\$0	\$0	CI & CABs	Tax Exempt	08/01/2015	New Money
Election of 2002, Series C (2008)	05/15/2008	\$52,000,377	\$52,000,377	\$0	CABs	Tax Exempt	Non-Callable	New Money
2008 GO Refunding Bonds	05/15/2008	\$128,765,749	\$98,495,000	\$87,955,000	CI & CABs	Tax Exempt	08/01/2018	Refunding
Election of 2012, Series A (2013)	08/14/2013	\$80,000,000	\$67,095,000	\$58,305,000	CI	Tax Exempt	08/01/2023	New Money
2013 GO Refunding Bonds	08/14/2013	\$5,470,000	\$4,070,000	\$1,805,000	CI	Tax Exempt	08/01/2023	Refunding
Totals:		\$366,235,749	\$221,660,377	\$148,065,000				

Proposition R – Issuance History



Proposition V – Issuance History



Proposition V, Election of 2012 General Obligation Bonds, Series B

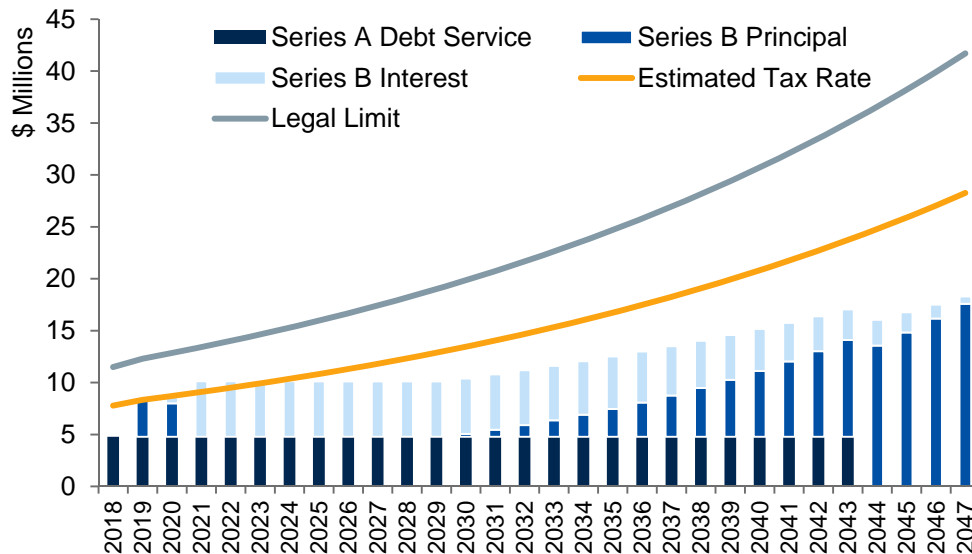
Financing Summary Statistics

Scenario	Rates as of 05/18/2018
Bond Issuance Schedule:	2018
Bond Issue Amount:	\$126,000,000
Assessed Value Growth:	4.50%
Maximum Tax Rate:	\$16.94
Total Bond Payback Period:	08/01/2047
Total Bond Debt Service:	\$255,969,205
Total Bond Payback Ratio:	2.03 to 1
True Interest Cost ("TIC"):	3.866%
Capital Appreciation Bonds:	\$0

New Gross Debt Service Breakdown

Payment Date	Principal	Interest	Total Debt Service
08/01/2018		327,305	327,305
08/01/2019	3,555,000	5,610,950	9,165,950
08/01/2020	3,220,000	5,468,750	8,688,750
08/01/2021		5,339,950	5,339,950
08/01/2022		5,339,950	5,339,950
08/01/2023		5,339,950	5,339,950
08/01/2024		5,339,950	5,339,950
08/01/2025		5,339,950	5,339,950
08/01/2026		5,339,950	5,339,950
08/01/2027		5,339,950	5,339,950
08/01/2028		5,339,950	5,339,950
08/01/2029		5,339,950	5,339,950
08/01/2030	275,000	5,339,950	5,614,950
08/01/2031	680,000	5,326,200	6,006,200
08/01/2032	1,120,000	5,292,200	6,412,200
08/01/2033	1,595,000	5,236,200	6,831,200
08/01/2034	2,120,000	5,156,450	7,276,450
08/01/2035	2,685,000	5,050,450	7,735,450
08/01/2036	3,305,000	4,916,200	8,221,200
08/01/2037	3,975,000	4,750,950	8,725,950
08/01/2038	4,700,000	4,552,200	9,252,200
08/01/2039	5,485,000	4,317,200	9,802,200
08/01/2040	6,340,000	4,042,950	10,382,950
08/01/2041	7,255,000	3,725,950	10,980,950
08/01/2042	8,245,000	3,363,200	11,608,200
08/01/2043	9,315,000	2,950,950	12,265,950
08/01/2044	13,560,000	2,485,200	16,045,200
08/01/2045	14,820,000	1,942,800	16,762,800
08/01/2046	16,160,000	1,350,000	17,510,000
08/01/2047	17,590,000	703,600	18,293,600
Totals:	126,000,000	129,969,205	255,969,205

Net Debt Service v. \$16.94 Tax Rate Debt Limit and \$25.00 Legal Limit



2018 General Obligation Refunding Bonds

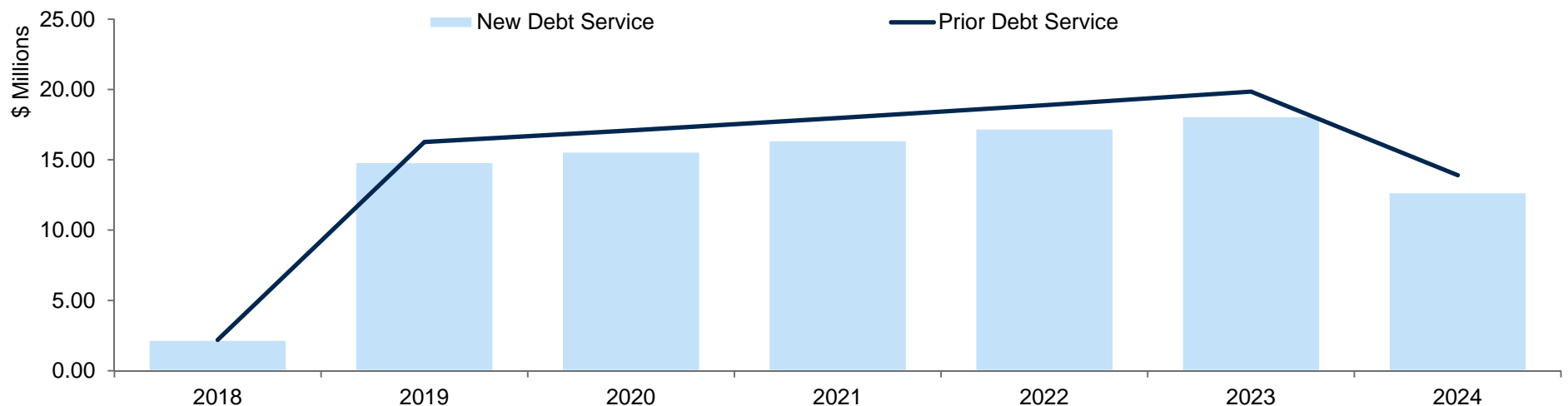
Financing Summary Statistics

Scenario	Rates as of 05/18/2018
Refunded Series	2008R
Solution	Proportional
New G.O. Bond Refunding Issue Amount:	\$82,840,000
Prior G.O. Bonds Refunded:	\$87,955,000
Final Maturity:	08/01/2024
Weighted Average Interest Rate of Refunded Bonds:	5.000%
New Refunding Bond True Interest Cost (TIC):	2.054%
Total Taxpayer Savings (net of all fees)⁽¹⁾:	\$9,218,766
Value of Negative Arbitrage:	\$160,096
Net PV Savings:	\$8,302,057
Percentage Savings of Refunded Bonds:	9.439%

New Gross Debt Service Breakdown

Payment Date	Principal	Interest	Total Debt Service
08/01/2018	1,970,000	217,659	2,187,659
08/01/2019	11,145,000	3,672,200	14,817,200
08/01/2020	12,345,000	3,226,400	15,571,400
08/01/2021	13,640,000	2,732,600	16,372,600
08/01/2022	15,020,000	2,187,000	17,207,000
08/01/2023	16,650,000	1,436,000	18,086,000
08/01/2024	12,070,000	603,500	12,673,500
Totals:	82,840,000	14,075,359	96,915,359

New Debt Service v. Prior Debt Service



Conclusion

Section 7



GROSSMONT-CUYAMACA

COMMUNITY COLLEGE DISTRICT





Conclusion

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

DISTRICT STRENGTHS

- Effective, experienced, stable leadership & governance
- Integrated student-centered planning and budgeting process
- Strong community partnerships and support
- Proven, long-standing fiscal stewardship
- Solid financial position with dedicated reserves for contingencies and long-term liabilities
- 14 years of flawless financial audits

REGIONAL STRENGTHS

- Serves San Diego County's strong economy, diverse population, and world-renowned location
- Key player in workforce and educational preparation for growing life sciences, communications, tourism, manufacturing, and technology industries
- Fiscal agent for regional consortium of 6 community college districts for Strong Workforce Initiative and regional adult education consortium
- Nationally recognized leader in innovative practices to accelerate student success

BOND PLAN & CONSTRUCTION PROGRAM STRENGTHS

- Data-informed, mission-centric plans that drive facilities and construction decisions
- Highly engaged Citizen's Bond Oversight Committee
- Recognized 3 consecutive years by Taxpayers Association for transparency in bond management
- Proven track record with exemplary implementation of Proposition R (16 major projects including renovations/expansions, new facilities, infrastructure, public safety, and accessibility upgrades across the district)

Financing Timeline



Grossmont-Cuyamaca Community College District
Election of 2012 General Obligation Bonds, Series 2018B
2018 General Obligation Refunding Bonds
 Finance Schedule
 April 18, 2018

April 2018							May 2018							June 2018							July 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5						1	2	1	2	3	4	5	6	7
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
29	30						27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

Date	Activity	Responsibility
Wednesday, April 4	Agenda Deadline for April 17 Grossmont-Cuyamaca CCD Governing Board meeting	BC
Tuesday, April 17	Grossmont-Cuyamaca CCD Governing Board approves documents for financing	District, BC
Monday, April 30	Docket Filing Deadline for May 8 San Diego County Board of Supervisors meeting	BC
Tuesday, May 8	San Diego County Board of Supervisors approves documents for financing	District, BC
Thursday, May 24	Rating Meetings in San Francisco	District, MA, BC, UW
Monday, May 28	Markets Closed: Memorial Day	
Thursday, May 31	Receive ratings	District, MA, BC, UW
Week of June 4	Due Diligence call	Working Group
Week of June 4	Post Preliminary Official Statement	BC, UW
Week of June 11	Pre-pricing/Pricing of the Bonds, Bond Purchase Agreement	District, MA, BC, UW
Week of June 18	Post Final Official Statement	District, MA, BC, UW
Wednesday, July 4	Markets Closed: 4 th of July	
Monday, July 9	Pre-Closing	Working Group
Tuesday, July 10	Closing	Working Group

Grossmont-Cuyamaca Community College District Bond Ratings

	Moody's	Standard & Poor's
Best Quality	<u>Aaa</u>	AAA
High Quality	Aa1 Aa2 Aa3	AA+ AA AA-
Upper Medium Quality	A1 A2 A3	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-