



## COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Telephone: (213) 974-2101 Fax: (213) 626-1812  
ttc.lacounty.gov and propertytax.lacounty.gov

**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

Board of Supervisors  
**HILDA L. SOLIS**  
First District  
**HOLLY J. MITCHELL**  
Second District  
**LINDSEY P. HORVATH**  
Third District  
**JANICE HAHN**  
Fourth District  
**KATHRYN BARGER**  
Fifth District

June 9, 2026

TO: Supervisor Hilda L. Solis, Chair  
Supervisor Holly J. Mitchell, *Pro Tem*  
Supervisor Lindsey P. Horvath  
Supervisor Janice Hahn  
Supervisor Kathryn Barger

FROM: Elizabeth Buenrostro Ginsberg  
Treasurer and Tax Collector

SUBJECT: **COUNTY'S CREDIT RATINGS REMAIN STRONG**

The County has once again maintained its long-term ratings of AAA from Fitch Ratings and Aa1 from Moody's Ratings (reports attached), specifically:

- **Fitch Ratings** assigned a short-term rating of **F1+**, its highest rating for short-term obligations. In addition, Fitch Ratings affirmed the County's long-term Issuer Default Rating (IDR) at **AAA**, with a **Stable Outlook**.
- **Moody's Ratings** assigned an **MIG 1** rating, its highest short-term rating. Moody's Ratings affirmed the County's long-term Issuer Credit Rating (ICR) at **Aa1**, with a **Stable Outlook**.
- **S&P Global Ratings** assigned its highest short-term rating of **SP-1+**. We expect to receive the County's long-term ICR from S&P Global Ratings later this summer.

The top-tier short-term ratings from all three agencies reflect the County's strong cash flow management, and sound financial operations. The long-term ratings and stable outlooks further reflect the County's sophisticated management practices, strong economic base, and ongoing commitment to financial resilience.

These affirmations are a positive reflection of the County's creditworthiness and position as well as we move forward with the County's upcoming sale of \$700 million Tax and Revenue Anticipation Notes (TRANS), Series A for Fiscal Year 2026-27, which was approved by the Board on May 19, 2026. The TRANS are scheduled to price this week,

Each Supervisor

June 9, 2026

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with a closing date of July 1, 2026. A historical credit ratings chart is also attached for your reference.

Please contact me directly should you have any questions, or your staff may contact Shawn Dralle, Assistant Treasurer and Tax Collector, at (213) 584-1514 or [sdralle@ttc.lacounty.gov](mailto:sdralle@ttc.lacounty.gov).

EBG:LP:SD:ad

#### Attachments

c: Chief Executive Officer  
Executive Officer, Board of Supervisors  
Auditor-Controller  
County Counsel  
Health Services

# Los Angeles County, California

The 'F1+' TRAns rating corresponds to the county's IDR and is supported by high projected cash balances, including borrowable funds, at note repayment. The 'AAA' IDR reflects 'aaa' financial resilience, midrange demographic- and economic-level metrics, and strong long-term liability burden profile, including a Fitch-estimated \$2.5 billion in expected judgement obligation bonds (JOBS) to support a portion of the \$4.8 billion in agreed upon legal settlements over five years. The ratings also incorporate a one-notch positive additional analytical factor (AAF) recognizing the county's economic and institutional strength.

## Rating Sensitivities

### Factors that could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Failure to implement available policy measures, as needed, resulting in available reserves sustained below 15% of spending, and a financial resilience assessment of 'aa' or lower.
- Given that the Department of Health Services (DHS) receives approximately 80% of its revenues from Medicaid and Medicare, inability to adjust the spending profile to lower projected revenues due to HR1, leading to fiscal imbalance and sustained reliance on general fund resources.
- A roughly 15% increase in long-term liability burden metrics above the roughly \$2.5 billion assumed for JOBS, assuming current personal income and governmental resources.
- Weakened demographic and economic performance, including population loss, rising unemployment, and lower median household income (MHI).

### Factors that could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Not applicable due to the 'AAA' IDR, which is the highest rating.

## Security

The 2026-27 TRAns are general obligations of the county, payable from a first lien on unrestricted general fund revenue attributable to fiscal 2027 and from any legally available funds of the county.

### Ratings

Long-Term IDR AAA

### Outlooks

Long-Term IDR Stable

### New Issues

\$700,000,000 2026-27 Tax and Revenue Anticipation Notes, Series A F1+

### Sale Date

Week of June 8 via negotiation

### Outstanding Debt

[Issuer Ratings Information](#)

### Climate Vulnerability Signals

2035 Climate Vulnerability Signal < 50  
Transition (Climate.VSt) < 50  
Physical (Climate.VSp) < 50

### Applicable Criteria

U.S. Public Finance Local Government Rating Criteria

### Related Research

[Fitch Rates LA County's \\$700MM TRAns 'F1+'; Affirms IDR at 'AAA'; Lease Obs at 'AA+'; Outlook Stable \(June 2026\)](#)

### Analysts

Karen Ribble  
+1 415 732 5611  
[karen.ribble@fitchratings.com](mailto:karen.ribble@fitchratings.com)

Kaylon Fleay  
+1 212 908 0873  
[kaylon.fleay@fitchratings.com](mailto:kaylon.fleay@fitchratings.com)

## Fitch's Local Government Rating Model

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the Issuer Default Rating except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

## Rating Headroom & Positioning

Los Angeles County Model Implied Rating: 'AAA' (Numerical Value: 10.20)

**Metric Profile:** 'AA+' (Numerical Value: 9.20)

Net Additional Analytical Factor Notching: +1.0

Individual Additional Analytical Notching Factors:

Economic and Institutional Strength: +1.0

Los Angeles County's Model Implied Rating is 'AAA'. The associated numerical value of 10.20 is at the lower end of the range for a 'AAA' rating.

## Current Developments

### 2026-27 TRANS

TRAN proceeds will be used to smooth cash flow management for general fund operations during fiscal 2027 (June 30 fiscal year-end). The county expects the note set-asides to occur in months with positive net ending balances (December 2026, January 2027 and April 2027), thereby allowing sufficient coverage of note repayment, at 8.8x, 8.6x and 37x, respectively, without drawing upon projected borrowable funds for each month ranging from \$6.6 billion to \$10.8 billion. Coverage increases to between 30x and 173x when projected borrowable funds are included. The repayment deposit structure sets aside 100% of principal and interest two months in advance of note maturity.

### Fiscal 2025 and 2026 Operations

The county ended fiscal 2025 with a \$413 million surplus, adding \$423 million to the unrestricted fund balance and bringing the total to \$7.7 billion, equal to 25.7% of fiscal 2025 spending. The county's final adopted fiscal 2026 general fund budget (general and hospital enterprise) totaled \$40.1 billion, representing a 5.5% increase over the prior year. This increase was driven in part by a 3.9% increase in net assessed valuation (NAV). The county expects to end fiscal 2026 with a total fund balance of about \$7 billion, representing a decline of about \$1.1 billion from the audited figure for fiscal 2025. The county typically ends in a stronger position than is estimated at this time of the year; the county estimated a similar decline in fund balance for fiscal 2025 but ended with an increase.

### Fiscal 2027 Budget

The county's recommended fiscal 2027 budget, including the general and hospital enterprise funds, totals \$38.3 billion. This is \$1.78 billion below the final fiscal 2026 budget, reflecting the expiration of one-time funding from prior years. The budget funds contractual cost increases for salaries and benefits associated with labor agreements as well as minimal program changes. These increases in spending are funded through \$334 million in increased discretionary revenue, primarily property taxes associated with the 3.9% increase in the NAV.

The county finalized a three-year agreement with SEIU in October 2025 that provides for no COLA in 2025, a 2% COLA in 2026 and a 5% COLA in 2027. In addition, the county agreed to pay two one-time cash bonuses. Negotiations with other bargaining units are ongoing.

### Key Budget Pressures

The county has identified four primary spending pressures: \$4.8 billion in legal settlements related to childhood sexual abuse claims associated with Assembly Bill (AB) 218; approximately \$800 million in costs associated with the

Palisades and Eaton wildfires; roughly \$2 billion in higher salary costs over three years tied to settled and anticipated labor agreements; and significant federal funding reductions, primarily affecting health services, under HR 1.

The county has taken action to incorporate these budget pressures into its financial planning. The county implemented 8.5% budgetary curtailments across most departments in fiscal 2026, aimed at generating capacity for the labor-related cost increases and to fund a portion of the settlement costs, and implemented a hiring freeze in February 2026. The county has agreed to fund the legal settlements over five years, beginning in fiscal 2026, through a combination of reserves, budgetary savings, and the issuance of JOBs. The county will pay about \$1.2 billion in fiscal 2026 through a \$400 million draw on the rainy-day fund with the remainder paid through expenditure savings and the reprogramming of available funds.

Although the county used a portion of its rainy-day fund in fiscal 2026 to support settlement payments, it does not currently plan to further draw on the rainy-day reserve. The county may use other unrestricted resources, which could reduce fund balance levels; however, management remains committed to structural balance and has taken meaningful steps to reduce ongoing spending and budgetary capacity.

The county estimates it will spend a total of about \$800 million on fire-related clean-up, infrastructure, soil testing, and rent relief among other expenditures. The county estimates it lost about \$42 million in property taxes due to the wildfires but the state's AB 100 fully offsets this loss. In addition, under AB 100, the state will pay the county FEMA eligible expenditures and will then receive the FEMA payments when made.

### Department of Public Health Anticipated Revenue Losses under HR 1

Within the Department of Health Services (DHS), the county anticipates using up to one-half of the hospital enterprise fund's unrestricted reserve, or about \$700 million, to offset an estimated revenue loss of up to \$662 million in fiscal 2027 related to certain elements of HR 1, which go into effect January 1, 2027. The county notes, however, that the HR 1 is phased in over time and that implementing regulations have not yet been finalized. It is also seeking state support to mitigate these impacts, although no such assistance is currently included in the proposed state budget.

The county placed a measure on the June 2 ballot seeking a 0.5% increase to the sales tax rate, expected to generate about \$222 million for DPH, to help offset the revenues lost under HR 1. Early returns indicate that Measure ER will not receive the required 50% approval to pass. The DHS unrestricted reserve contained an estimated \$1.4 billion at the end of fiscal 2025 and the county may also utilize additional reserves as it implements and adjusts to HR1. Passage of the sales tax measure is not included in the fiscal 2027 budget.

### Other Fiscal Considerations

The county has been steadily increasing contributions to its other post-employment benefits (OPEB) trust and expects to achieve full funding of the actuarially determined contributions (ADC) by fiscal 2027. The county paid \$1.5 billion in fiscal 2026 for OPEB with a discretionary \$646 million payment to the trust, and the fiscal 2027 budget includes a \$723 million discretionary payment to the OPEB trust. The OPEB trust had a \$5.6 billion balance at fiscal year-end 2025, compared with the roughly \$26.9 billion OPEB liability. The county intends to continue to increase its OPEB funding, although it could divert such contributions to address budgetary pressures.

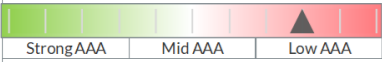
### Large Homeless Population; Spending Pressure; Funding Sources

The county continues to face challenges and obligations related to a large homeless population. In November 2024, voters approved a measure to increase the sales tax by 0.5% to fund homelessness prevention, homelessness services and affordable housing initiatives through a new agency, the Los Angeles County Homeless Services Housing Solutions Agency. This measure replaces an expiring 0.25% sales tax that was also intended to address homelessness. Fitch expects homeless services to continue to require substantial general fund resources; however, the dedicated funding source will alleviate some of the pressure.

## Profile

Los Angeles County, with more than 9.7 million residents, benefits from a large, diverse economy, a strong tax base, and diverse transportation and trade infrastructure. Fitch expects a voter approved change in governance effective 2028 to be credit neutral.

## Key Drivers

Issuer: Los Angeles County (CA)	Financial Profile	0.0	<b>Issuer Position Within AAA Model Implied Rating</b>  Strong AAA   Mid AAA   Low AAA Rating position post application of analytical overlay
Type: County General Obligation	Demographic & Economic Strength	1.0	
Current: AAA, RO:Sta (2025/06/03)	Long-Term Liability Burden	0.0	
Fiscal Year	AAF Notching Total(4)	1.0	
Metric Profile	MIR - Metric	10.20	
Metric Profile Mapping	MIR - Mapping	AAA	

Metric	Analyst Input		Metric		Composite		
	2025	2025	Percentile	Weight	Percentile/Value	Assessment	Weight
<b>Financial Profile</b>							
<b>Financial Resilience Components</b>							
Available Reserves (FB/Expenditures: 5-Year Low) (%)	19.5						
Revenue Control Assessment	Midrange	Midrange					
Expenditure Control Assessment	Midrange	Midrange				aaa	35%
Budgetary Flexibility	Midrange	Midrange					
<b>Financial Resilience</b>	aaa	aaa		100%			
Lowest Cumulative 3 Year Revenue Performance (+/-) since 2008 (%)	-0.4						
<b>Revenue Volatility(1)</b>	0.01	0.01	70%	100%		Strong	0%
<b>Demographic and Economic Strength</b>							
<b>Trend</b>							
Population Trend (%) (2)	-0.1	-0.2	6%	100%	6%	Weakest	8%
Unemployment Rate as Percentage of National Rate (%) (5)	132.6		19%	33%			
Population w/ Bachelor's Degree and Higher (%) (2)	36.0		66%	33%	43%	Midrange	26%
MHI as a % of the Portfolio Median (2)	95.5		43%	33%			
<b>Concentration &amp; Size</b>							
Population Size (2) (3)	9,748,868		100%	50%	100%	Strongest	9%
Economic Concentration (%) (2) (3)	16.8		100%	50%			
<b>Long-Term Liability Burden</b>							
Liabilities/Personal Income (%)	3.8	4.2	62%	35%			
Liabilities/Governmental Revenues (%) (6)	90.8	98.8	85%	25%	69%	Strong	21%
Carrying Costs/Governmental Expenditures (%)	13.7	12.9	64%	40%			

(1) Model directly uses revenue volatility. Percentiles are for information only; metric percentile represents the issuer; composite percentile represents the average of the issuer's class. The Revenue Volatility metric represents the issuer's revenue volatility relative to the median revenue volatility of the total issuer portfolio.  
 Revenue Volatility is treated asymmetrically, where weight is marginal for issuers that exhibit low to moderate revenue volatility. For issuers with higher revenue volatility, this factor will moderately lower the metric profile, implying a somewhat reduced weighting for all other variables in these instances.  
 (2) Population, Concentration, MHI and Educational Attainment data is lagged by one year e.g. 2021 data is used and displayed for fiscal year 2022.  
 (3) Percentiles represent the class. Economic concentration is defined as the sum of the absolute deviation of the issuer from the national average proportion across major economic sectors. Sector data is on the county level for all entities or the MSA level for cities that span multiple counties. If data is unavailable for an issuer, median figures based on reported data for all counties within the issuer's state are used as proxy values.  
 (4) Additional Analytical Factors (AAF) have a potential notching range of +/-2 for each of the three categories and an overall IDR notching range of +3/-3.  
 (5) County level data used for sub-county entities when prior year's data is unavailable. If county data is unavailable, MSA data is used. MSA level data is used for cities that span multiple counties.  
 (6) As a proxy for per capita personal income for sub-county levels of local government, Fitch calculates the ratio of money income to per capita income for the county in which the rated entity is located and applies that ratio to the entity's money income. The estimated per capita personal income figure is multiplied by population to estimate total personal income.  
 Source: Fitch Ratings

## Financial Profile

### Financial Resilience - 'aaa'

Los Angeles County's financial resilience is driven by the combination of its 'Midrange' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'Midrange' budgetary flexibility assessment.

- Revenue control assessment: Midrange
- Expenditure control assessment: Midrange
- Budgetary flexibility assessment: Midrange
- Minimum fund balance for current financial resilience assessment: >=15.0%
- Current year fund balance to expenditure ratio: 25.7% (2025)
- Lowest fund balance to expenditure ratio for the fiscal-year period 2021-2025: 19.5% (2021)

### Revenue Volatility - 'Strong'

Los Angeles County's weakest historic three-year revenue performance is neutral to the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- Lowest three-year revenue performance (based on revenues dating back to 2005): 0.4% decrease for the three-year period ending fiscal 2011
- Median issuer decline: -3.7% (2025)

**State-Specific Revenue/Expenditure Context & Budgetary Control**

As with all California local governments, Los Angeles County cannot raise taxes without a ballot vote; however, revenue-raising available from charges for services, fines and forfeitures, and licenses and permits results in 'Midrange' revenue control. Voters have also shown a strong willingness to approve revenue measures.

Spending flexibility arises from the county's control over headcount and service levels. While labor operates in a strong bargaining environment with the ability to strike, the county has maintained productive labor relations. Most collective bargaining units were covered by three-year contracts through fiscal 2025, which included moderate salary increases of 5.5% in October 2022 and 3.25% in October 2023 and 2024, as well as 2%–4% increases in fringe benefits.

The county negotiated successor three-year agreements with its largest union (SEIU) in October 2025. The agreements included no COLA for 2025 but did include a \$5,000 bonus. There is a 2% COLA October 1, 2026 as well as a \$2,000 bonus, followed by a 5% COLA as of October 1, 2027. The county is in negotiations with the other major bargaining unit – the coalition of county unions.

**Additional Insight**

A vast majority, or approximately 62%, of the county's discretionary revenues (i.e., not state or federal subventions) are derived from property taxes. In 2022, the county increased its rainy day reserve policy to 17% of discretionary revenue from 10%. As of fiscal 2025, the county's rainy day reserve held about \$1.077 billion, equal to almost 12% of discretionary revenues, and the county estimates the rainy day fund will total about \$738 million at fiscal year-end 2026, with the decline owing to the draw for the AB 218 settlement. The county plans to budget additions to its rainy day reserves until it reaches the 17%.

**Demographic and Economic Strength**

**Population Trend - 'Weakest'**

Based on the median of 10-year annual percentage change in population, Los Angeles County's population trend is assessed as 'Weakest'.

Population trend: -0.2% Analyst Input (6th percentile) (vs. -0.1% 2024 median of 10-year annual percentage change in population)

**Unemployment, Educational Attainment and MHI Level - 'Midrange'**

The overall strength of Los Angeles County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2025 are assessed as 'Midrange' on a composite basis, performing at the 43rd percentile of Fitch's local government rating portfolio. This is due to high education attainment levels offsetting midrange median-issuer indexed adjusted MHI and high unemployment rate.

- Unemployment rate as a percentage of national rate: 132.6% 2025 (19th percentile)
- Percent of population with a bachelor's degree or higher: 36.0% (2024) (66th percentile)
- MHI as a percent of the portfolio median: 95.5% (2024) (43rd percentile)

**Economic Concentration and Population Size - 'Strongest'**

Los Angeles County's population in 2024 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the fifth percentile for

the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

- Population size: 9,748,868 (2024) (above the 15th percentile)
- Economic concentration: 16.8% (2025) (above the 15th percentile)

**Additional Analytical Factors and Notching**

Demographic and Economic Strength Additional Analytical Factors and Notching: +1.0 notch (for Economic and Institutional Strength)

A one-notch positive AAF has been applied to recognize the county's important role and significant contributions to the Los Angeles-Long Beach-Anaheim, CA MSA. The MSA is the second largest in the country and accounts for about 5.4% of U.S. GDP.

**Additional Insight**

The size and diversity of the economy underpinning the county's tax base remains a credit strength. Fiscal 2027 represents the 16th consecutive year of tax base growth, with a roughly 3.9% increase estimated, which brings taxable assessed values (TAVs) to \$2.26 trillion. The increase is largely attributable to property transfers and the CPI increase, modestly offset by some declines in value, primarily due to the 2025 wildfires. Although softness in commercial office values might occur in the near term, the Proposition 13 cushion should mitigate any TAV declines.

The county's unemployment rate has historically been higher than the nation's. The county's 2025 unemployment rate was 5.7%, notably above those of the state (5.3%) and nation (4.3%). Wealth indicators are below those of the state but generally above or in line with the nation, reflecting the county's incorporation of some highly urbanized and low income areas.

**Long-Term Liability Burden**

**Long-Term Liability Burden - 'Strong'**

Los Angeles County's long-term liability metrics remain moderately strong across each of the three dimensions: liabilities to personal income, liabilities to governmental revenue, and carrying costs to governmental expenditures. The long-term liability composite metric in 2025 is at the 69th percentile, indicating a somewhat lower liability burden relative to the Fitch's local government rating portfolio.

- Liabilities to personal income: 4.2% Analyst Input (62nd percentile) (vs. 3.8% 2025 Actual)
- Liabilities to governmental revenue: 98.8% Analyst Input (85th percentile) (vs. 90.8% 2025 Actual)
- Carrying costs to governmental expenditures: 12.9% Analyst Input (64th percentile) (vs. 13.7% 2025 Actual)

**Pension Adjustments**

On an aggregate basis for all pension plans as of the most recent measurement date, the reported asset to liability ratio was 85.4%, or an estimated 74.0%, using Fitch's standard 6% rate of return adjustment. The Fitch-adjusted NPL was equal to \$26,704.9 million, or about 3.3% of personal income.

**Additional Insight**

The state's Child Victims Act became effective on Jan. 1, 2020, and extended the statute of limitations for certain sexual abuse crimes against minors, allowing victims more time to file civil suits. The period to file such claims closed on Dec. 31, 2022. In April 2025, the county approved a settlement for \$4 billion to settle about 11,000 lawsuits, payable over five years beginning in fiscal 2026. The county began paying this settlement in fiscal 2026, paying \$1.2 billion from a combination of current year revenues, the county's rainy day fund (\$400 million) and other cash on hand. In October 2025, the county settled an additional 1,400 claims for \$848 million over four years. The county is still negotiating with over 5,000 additional plaintiffs for additional settlements. Under the agreements, the county will pay \$1.2 billion in fiscal 2027 through a combination of current year revenues (savings) and the issuance of JOBs. The county anticipates issuing between \$2.0 and \$2.5 billion in judgment obligation bonds, which the county may issue as early as January 2027.

**Analyst Inputs to the Model**

Direct debt has been adjusted to reflect the potential for an additional \$2.5 billion in anticipated debt issuance in connection with the settlement of lawsuits related to California's Child Victims Act. The two settlements in aggregate are over \$4.8 billion. However, the county plans to fund a portion of the settlement with current year

revenues made available by curtailments to department budgets. Metrics were also adjusted to reflect principal amortized in fiscal 2026.

Debt service has been adjusted to reflect the estimated debt service associated with the assumed \$2.5 billion potential JOB issuance using 20-year amortization and a 5% interest rate, as well as the actual debt service for the two lease revenue bonds issued after the fiscal 2025 audit. Pursuant to Fitch's criteria, the OPEB contribution has been reduced from the full contribution to reflect only the benefits payment amount to account for the county's option to legally pay only the benefits payment amount.

## Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's USPF Rating Criteria.

The results of our Climate.VS screener did not indicate an elevated risk for Los Angeles County (CA) [General Government].

## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, due to either their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/topics/esg/products#esg-relevance-scores](http://www.fitchratings.com/topics/esg/products#esg-relevance-scores).

## Financial Summary

(\$000, Audited Fiscal Years Ending Jun. 30)	2021	2022	2023	2024	2025
<b>General Fund Revenues</b>					
Property Tax	-	-	-	-	-
Sales Tax	-	-	-	-	-
Income Tax	-	-	-	-	-
Other Tax	-	-	-	-	-
<b>Total Taxes - Undifferentiated</b>	<b>6,894,825</b>	<b>7,161,038</b>	<b>7,643,986</b>	<b>8,022,298</b>	<b>8,362,111</b>
Intergovernmental	12,957,099	12,664,511	13,804,835	14,665,512	15,468,995
Other Revenue	3,431,218	3,037,119	3,772,616	4,575,672	4,521,917
<b>Total</b>	<b>23,283,142</b>	<b>22,862,668</b>	<b>25,221,437</b>	<b>27,263,482</b>	<b>28,353,023</b>
<b>General Fund Expenditures</b>					
General Government	1,807,937	1,193,470	1,870,449	2,021,666	2,457,743
Public Safety	6,149,194	6,330,770	6,720,622	7,035,302	7,352,778
Educational	-	-	-	-	-
Debt Service	31,172	143,214	186,397	217,622	234,794
Capital Outlay	1,134	58,841	341,816	192,659	331,174
Other Expenditures	14,265,552	14,363,305	15,495,076	16,928,913	18,966,206
<b>Total</b>	<b>22,254,989</b>	<b>22,089,600</b>	<b>24,614,360</b>	<b>26,396,162</b>	<b>29,342,695</b>
Transfers In and Other Sources	964,071	1,116,185	1,537,383	1,548,628	2,106,939
Transfers Out and Other Sources	1,577,304	1,205,323	1,279,057	1,206,296	703,741
<b>Net Transfers &amp; Other</b>	<b>-613,233</b>	<b>-89,138</b>	<b>258,326</b>	<b>342,332</b>	<b>1,403,198</b>
Adjustment for Bond Proceeds and Extraordinary One-Time Uses	-	-	-	-	-
Net Op. Surplus (Deficit) After Transfers	414,920	683,930	865,403	1,209,652	413,526
Net Op. Surplus (Deficit)/ (Total Expenditures + Transfers Out and Other Uses)(%)	1.74	2.94	3.34	4.38	1.38
Total Fund Balance	4,933,724	5,617,654	6,483,057	7,692,709	8,106,235
Unrestricted Fund Balance	4,653,430	5,268,297	6,142,061	7,310,302	7,733,718
Other Available Fund Balances	-	-	-	-	-
<b>Total Available Unrestricted Reserves (GF + Other)</b>	<b>4,653,430</b>	<b>5,268,297</b>	<b>6,142,061</b>	<b>7,310,302</b>	<b>7,733,718</b>
Available Reserves as % of Spending (Adj for Bond Proceeds and Other One-Time Uses)	19.53	22.62	23.72	26.48	25.74

Sources: Fitch Ratings, Fitch Solutions, Los Angeles County (CA) [General Government]

<b>Long-Term Liability Burden (\$000)</b>	<b>2025</b>
(\$000, Audited Fiscal Years Ending Jun. 30)	
Direct Debt	4,564,738
Less: Self-Supporting Debt	-
Net Direct Debt	4,564,738
Fitch Adjusted NPL	26,704,916
<b>Net Direct Debt + Fitch-Adjusted net pension liabilities (NPL)</b>	<b>31,269,654</b>
Population	9,694,934
Per Capita Personal Income	83,888
Estimated Personal Income (\$000)	818,509,319
<b>Net Debt + Fitch-Adjusted NPL/Personal Income (%)</b>	<b>3.8</b>
Total Governmental Revenues	34,425,541
<b>Net Direct Debt + Fitch Adjusted NPL as Percentage of Governmental Revenue (%)</b>	<b>90.83</b>
Debt Service (Net of State Support)	646,118
Actuarially Determined Pension Contributions	2,571,141
Actual OPEB Contributions	1,403,737
Total Governmental Expenditures	33,831,509
<b>Carrying Costs/Governmental Expenditures (%)</b>	<b>13.66</b>

Note: Figures above do not reflect any Analyst Input Adjustments.

Sources: Fitch Ratings, Fitch Solutions, Los Angeles County (CA) [General Government]

Summary

Description	Final Value
<b>Budgetary Flexibility Assessments</b>	
Revenue Control Assessment	Midrange
Expenditure Control Assessment	Midrange
Collective Bargaining and Resolution Framework	Midrange
Workforce Outcomes	Midrange
Cost Drivers	Midrange
<b>Metrics Assessments</b>	
Financial Profile - Financial Resilience	aaa
Financial Profile - Revenue Volatility	Strong
Demographic & Economic Strength - Trend	Weakest
Demographic & Economic Strength - Level	Midrange
Demographic & Economic Strength - Concentration & Size	Strongest
Long-Term Liability Burden	Strong
Metric Profile Mapping	AA+
Metric Profile	9.20
<b>Additional Analytical Factors</b>	
Total Notching - capped	1
<b>Financial Profile</b>	
Fiscal Oversight	
Revenue Capacity	
Contingent Risks	
Non-Recurring Support or Spending Deferrals	
Political Risks	
Management Practices	
Demographic & Economic Strength	1
Economic and Institutional Strength	1
Revenue Concentration Risks	
School District Resources	
<b>Long-Term Liability Burden</b>	
Pension Funding Assumptions	
Pension Contributions	
OPEB	
Debt Structure	
Capital Demands and Affordability	
Model Implied Rating - Mapping	AAA
Model Implied Rating - Metric	10.20
Outliers and Developing Situations Considerations	No
Notching Rationale - 1	
Notching Rationale - 2	
Issuer Default Rating/ Issuer Default Credit Opinion	AAA
Outlook/Watch	RO:Sta
Source: Fitch Ratings	

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**CREDIT OPINION**

5 June 2026



**Contacts**

Alexandra J. Cimmeyotti  
VP-Sr Credit Officer  
alexandra.cimmeyotti@moody.com +1.415.274.1754

Dan Seymour, CFA  
VP-Senior Credit Officer  
dan.seymour@moody.com +1.212.553.4871

**CLIENT SERVICES**

Americas	1-212-553-1653
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# Los Angeles County, CA

## Update to credit analysis

### Summary

[Los Angeles County, CA's](#) (Aa1 stable) credit profile is supported by a robust economy, massive tax base, and resident income levels that approximate the US median. The county has a long history of strong operating performance, which has contributed to stable financial results, and benefits from a sophisticated management team that employs effective long-range financial and capital planning. The county's robust reserves and liquidity place it in a favorable position to effectively navigate current economic and fiscal pressures. The county's long-term liabilities ratio will remain moderate when compared to other large counties even when incorporating near-term debt plans.

### Credit strengths

- » Massive tax base poised for additional solid growth that will support ongoing strong property wealth
- » Large and diverse economy
- » Sound financial position supported by healthy reserves and cash
- » Strong budget oversight

### Credit challenges

- » Department of Health Services' (DHS) reliance on the county's support for operations, while manageable, could fluctuate given the volatility of the healthcare industry and recent changes in federal funding
- » High cost of living and homelessness

### Rating outlook

The stable outlook reflects our expectation that the county will continue to benefit from a robust and diverse economy and that management's effective fiscal practices will continue to support the county's strong financial position.

### Factors that could lead to an upgrade

- » Continued strong financial position supported by an available fund balance ratio above 35% and sustained maintenance of liquidity above 40% of operating revenue
- » Material and sustained reduction in the county's long-term liabilities ratio to below 200%

### Factors that could lead to a downgrade

- » Substantial and sustained decrease in available fund balance ratio and liquidity to below 20%

- » Material decline in federal and/or state funding and failing to implement corresponding service cuts
- » Weakened hospital operations that materially increase reliance on the county's general fund
- » Material increase in the county's long-term liabilities ratio to above 400%

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 1

### Los Angeles (County of) CA

	2022	2023	2024	2025	Aa Medians
<b>Economy</b>					
Resident income ratio (%)	98.0%	97.4%	98.3%	N/A	97.7%
Full Value (\$000)	\$1,708,149,257	\$1,826,210,292	\$1,931,399,895	\$2,024,939,189	\$10,410,077
Population	9,936,690	9,848,406	9,808,667	N/A	80,905
Full value per capita (\$)	\$171,903	\$185,432	\$196,907	N/A	\$119,268
Annual Growth in Real GDP	1.3%	1.0%	N/A	N/A	2.0%
<b>Financial Performance</b>					
Revenue (\$000)	\$33,311,112	\$35,346,040	\$38,536,925	\$40,254,576	\$110,305
Available fund balance (\$000)	\$7,936,782	\$9,513,492	\$10,641,786	\$10,740,786	\$50,530
Net unrestricted cash (\$000)	\$16,480,914	\$17,131,570	\$18,897,896	\$19,919,283	\$84,155
Available fund balance ratio (%)	23.8%	26.9%	27.6%	26.7%	44.6%
Liquidity ratio (%)	49.5%	48.5%	49.0%	49.5%	80.8%
<b>Leverage</b>					
Debt (\$000)	\$5,021,001	\$5,159,090	\$5,278,641	\$6,224,792	\$43,934
Adjusted net pension liabilities (\$000)	\$64,391,740	\$45,992,252	\$41,198,540	\$35,271,759	\$60,113
Adjusted net OPEB liabilities (\$000)	\$34,970,875	\$26,209,539	\$25,464,536	\$23,606,707	\$3,431
Other long-term liabilities (\$000)	\$7,265,403	\$10,625,096	\$11,546,964	\$13,192,727	\$4,165
Long-term liabilities ratio (%)	335.2%	248.9%	216.6%	194.5%	123.0%
<b>Fixed costs</b>					
Implied debt service (\$000)	\$264,395	\$350,666	\$358,380	\$365,331	\$3,018
Pension tread water contribution (\$000)	\$1,296,301	\$1,750,711	\$1,788,985	\$1,740,580	\$2,301
OPEB contributions (\$000)	\$1,124,008	\$1,220,912	\$1,327,488	\$1,461,202	\$161
Implied cost of other long-term liabilities (\$000)	\$475,192	\$507,414	\$738,079	\$799,157	\$283
Fixed-costs ratio (%)	9.5%	10.8%	10.9%	10.8%	6.3%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area.

Sources: US Census Bureau, Los Angeles (County of) CA's financial statements and Moody's Ratings, US Bureau of Economic Analysis

## Profile

Los Angeles County is the largest county in the nation both by assessed value (approximately \$2.2 trillion) and population (close to 10 million). The county is governed by a five-member Board of Supervisors and day-to-day operations are managed by the Chief Executive Officer.

## Detailed credit considerations

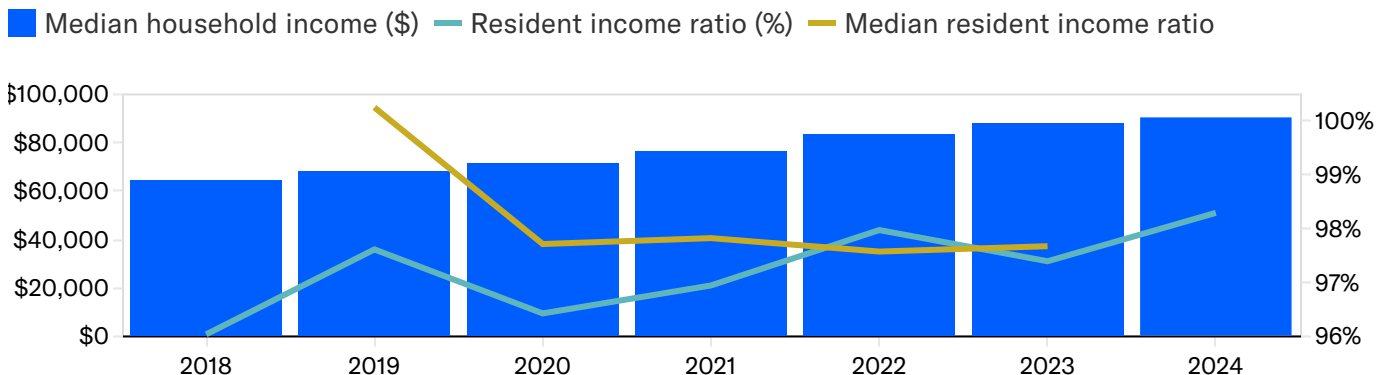
### Economy: massive tax base benefits from large and diverse economy

The county's exceptionally large \$2.2 trillion assessed value (AV) will continue to have solid growth driven by ongoing residential and commercial development, coupled with the mechanics of Prop 13. Preparations for the 2028 Summer Olympics will also catalyze infrastructure improvements. Management is assuming 3.9% AV growth in fiscal 2027, which seems reasonable given our expectations for continued tax base expansion. Assessed value per capita remains strong at approximately \$225,000 when compared to the Aa median (about \$105,000), and the 20 largest taxpayers comprise an extremely low 3% of total AV.

The county's economy surpasses that of 44 states and all but 19 countries. This extensive and varied economy not only drives regional economic growth and job creation but also serves as a significant economic force for the state. The economy is characterized by a diverse range of industries, including entertainment, technology, international trade, aerospace, fashion, manufacturing, and tourism. Its 2025 gross economic output, totaling a projected \$1.02 trillion, represents 24% of California's economic output. Los Angeles County's unemployment rate of 5.6% remains slightly above the state (5.5%) and the national average of 4.7%.

Exhibit 2

**Resident income slightly improved in 2024 and slightly exceeds the Aa national median**



Source: US Census Bureau - American Community Survey 5-Year Estimates; US Bureau of Economic Analysis; Moody's Ratings

**Financial operations: strong financial reserves and liquidity positions county well to manage current headwinds**

The county is well positioned to manage current fiscal challenges, including reductions in federal and state funding starting in fiscal 2027, given its robust reserves and liquidity. In addition, management remains committed to its budget policy to not backfill cuts for programs funded by the state or federal government, which is a credit positive given that direct assistance intergovernmental revenues comprise about 40% of total revenue.

Based on year-to-date projections, fiscal 2026 general fund balance is estimated at \$7 billion or a solid 20% of general fund revenue, which is down from the prior year at \$8.1 billion (28.6% of general fund revenue). However, we expect that the county will end fiscal 2026 stronger than current projections, since likely expenditure savings across various departments are not considered in current estimates.

The recommended fiscal 2027 budget totals \$48.8 billion, including \$38.3 billion for general county expenses, down \$3.7 billion (7%) from the prior year. After cutting expenditures by 8% last year, the county is proposing no additional program or service cuts to balance the budget. Similar to prior years, the recommended budget is based on reasonable assumptions such as 3.9% growth in AV and includes \$54 million for contingencies and \$60 million toward the OPEB actuarially determined contribution, which is expected to be fully funded by fiscal 2027.

The Board of Supervisors have agreed to pay about \$4.8 billion in settlements for claims filed against the county under the Child Victims Act (AB 218). The settlements will be funded with one-time resources including \$400 million from the rainy day fund (approved in the fiscal 2026 budget), with no further draws expected, and judgment obligation bonds (JOBs). Although the settlement amount is sizable, the county's strong financial position and ample debt capacity mitigate the associated credit pressure.

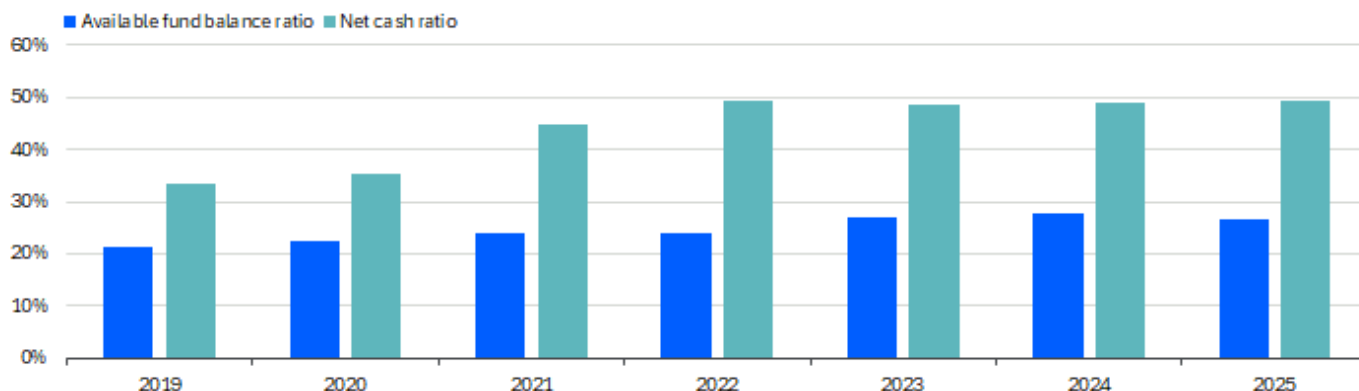
**Department of Health Services**

DHS, the nation's second-largest public health system, remains a significant county expenditure and relies on county support for about 12% of revenue. However, the county's general fund contribution under Assembly Bill 85 (the state required funding contribution) is manageable at \$371 million, or 1% of the fiscal 2027 recommended general budget.

DHS remains materially exposed to Medicaid funding risk, which accounts for about 65% of revenue. However, stronger liquidity and reserves built over the past four years provide a near-term buffer against projected revenue losses. The fiscal 2027 recommended budget assumes a \$662.2 million revenue decline for the county's public hospital and health care systems, largely related to Medicaid funding and the Medicaid Coverage Expansion program, which management plans to offset with \$743.6 million of DHS fund balance.

Measure ER, which was expected to generate about \$220 million annually for DHS, appears not to have passed, increasing pressure on the county and DHS to identify alternative measures to address the system's significant funding gap.

Exhibit 3

**Strong reserves and liquidity position the county well to handle the current fiscal challenges**

Source: Audited Financial Statements, Moody's Ratings

**Liquidity**

Similar to the county's reserve position, we expect that liquidity will also remain strong. The fiscal 2025 liquidity was about \$20 billion or a robust 50% of operating revenue. General fund unrestricted cash balance was also strong at \$11 billion or an ample 40% of general fund revenue.

The county's two largest revenue sources consist of direct assistance intergovernmental revenue and property taxes. Given the uneven pattern of these revenue receipts, the county annually issues Tax and Revenue Anticipation Notes to assist with its cash flow needs. This practice has been in place since 1977.

**Leverage: long-term liabilities ratio will remain moderate even when considering upcoming debt plans**

The county's long-term liabilities ratio will remain moderate even when incorporating current debt plans. Management is considering issuing refunding bonds in August as well as judgement obligation bonds to fund a portion of the AB 218 settlement payments potentially starting in January 2027. The county expects to issue one or more series of bonds for a total of approximately \$2.0- \$2.5 billion, each with a maturity of no more than 20 years.

**Debt structure**

The county's outstanding long-term debt (including governmental and business activities) consists of approximately \$6.2 billion and the final maturity is 2052.

**Pensions and OPEB**

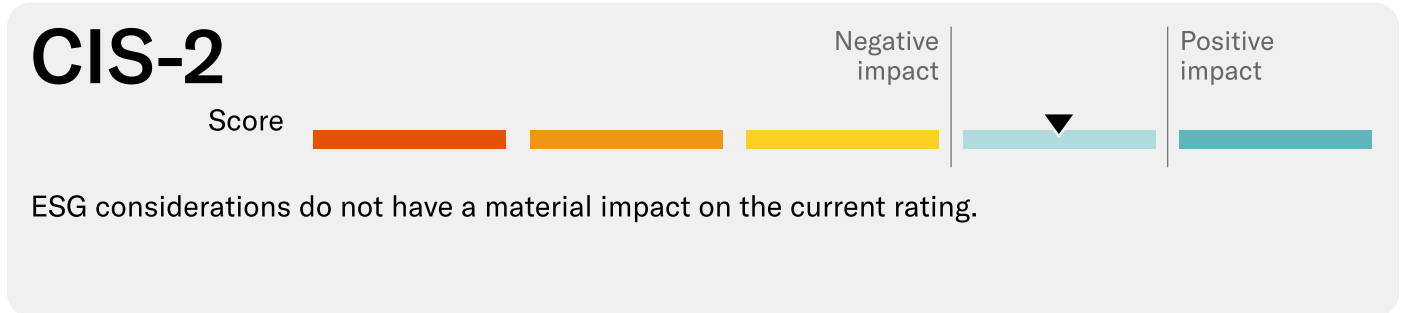
The county provides pension benefits for employees that are administered by the Los Angeles County Employees Retirement Association. The county's adjusted net pension liability (ANPL) was approximately \$30 billion for governmental activities and about \$5 billion for business-type activities, or \$35 billion in total. This equates to an ANPL of about 1.0x revenue, which is in-line with large California counties.

In an effort to stem the looming burden of its OPEB liability, the county established an irrevocable OPEB trust in 2012. In addition, the Board of Supervisors adopted a funding plan commencing in fiscal 2016 that would enable the county to fully fund its annual contribution by fiscal 2027. The county remains on target to meet this goal.

## ESG considerations

Los Angeles (County of) CA's ESG credit impact score is CIS-2

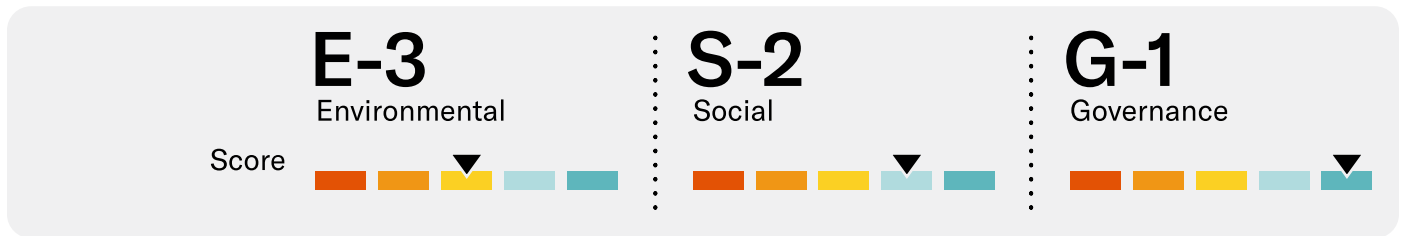
Exhibit 4  
ESG credit impact score



Source: Moody's Ratings

Los Angeles County's ESG Credit Impact Score reflects its moderate exposure to environmental risks, low exposure to social risks and very strong governance, which supports the county's credit rating, resilience and capacity to respond to shocks.

Exhibit 5  
ESG issuer profile scores



Source: Moody's Ratings

### Environmental

The county has low exposure to environmental risks such as carbon transition, natural capital, and waste and pollution. Climate change risks are also generally low, except for water stress. However, this exposure is largely offset by strong regional planning and conversation efforts. The county is also exposed to wildfire risk, but its strong liquidity and extremely large tax base help mitigate this risk.

### Social

The county has low exposure to social risks across most categories, and it scores favorably in health and safety. However, housing poses moderately negative risks, due to the high need for affordable housing which could lead to higher social spending than current levels.

### Governance

The county's very strong governance profile reflects both demonstrated policy effectiveness and budget management.

## Rating methodology and scorecard factors

The [US Cities and Counties Methodology](#) includes a scorecard that summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 6

### Los Angeles (County of) CA

	Measure	Weight	Score
<b>Economy</b>			
Resident income ratio	98.3%	10.0%	A
Full value per capita	225,125	10.0%	Aaa
Economic growth metric	-0.9%	10.0%	Aa
<b>Financial Performance</b>			
Available fund balance ratio	26.7%	20.0%	Aa
Liquidity ratio	49.5%	10.0%	Aaa
<b>Institutional Framework</b>			
Institutional Framework	Aa	10.0%	Aa
<b>Leverage</b>			
Long-term liabilities ratio	194.5%	20.0%	Aa
Fixed-costs ratio	11.0%	10.0%	Aa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
<b>Assigned Rating</b>			<b>Aa1</b>

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Los Angeles (County of) CA's financial statements and Moody's Ratings

## Appendix

Exhibit 7

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
<b>Financial performance</b>		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
<b>Leverage</b>		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
<b>Fixed costs</b>		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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REPORT NUMBER 1487175

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Research Update:

# Los Angeles County Series A 2026-2027 Tax And Revenue Anticipation Notes Rated 'SP-1+'

June 5, 2026

## Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to [Los Angeles County](#)'s \$700 million series A 2026-2027 tax and revenue anticipation notes.

## Rationale

### Security

The notes are payable from legally available revenue of the county attributable to fiscal 2027 and mature on June 30, 2027. The note proceeds will be used to help meet the county's fiscal 2027 expenditures, including current expenses, capital expenditures, and the discharge of other obligations or indebtedness of the county.

### Credit highlights

The rating reflects our view of Los Angeles County's history of conservative cash flow forecasting, which has yielded consistently robust debt service coverage (DSC) at maturity. While the county faces budgetary headwinds--specifically reductions in federal and state Medicaid funding, settlement obligations stemming from Assembly Bill (AB) 218, and ongoing wildfire recovery costs--we believe its financial position remains strong. We do not believe the county is likely to face the risk of disruption in receipts in the near term due to the fact that more than half of the county's intergovernmental revenues are derived from state sources, and its largest general fund unrestricted revenue stream, property taxes, has remained stable following the January 2025 wildfires. Furthermore, the county has taken steps to mitigate its AB 218 liabilities through a hiring freeze and budget reductions of up to 5% for fiscal 2026; it has also initiated a strategic funding plan that anticipates the use of a combination of cash reserves and judgment obligation bonds. Finally, we note the county maintains a policy of not replacing lost state or federal funding with local revenue, which in our view provides an additional layer of fiscal discipline.

Management monitors the county's cash position year-round, including daily. The county's projections for fiscal 2027 are based on a budget that is due to be approved at the end of June 2026. We understand that Los Angeles County intends to hold the note repayment funds in its investment pool, which has no exposure to structured or derivative investments. Also, the county has flexibility with additional borrowable resources that totaled an estimated \$4.3 billion as of

### Primary Contact

**Treasure D Walker**  
Englewood  
303-721-4531  
treasure.walker  
@spglobal.com

### Secondary Contact

**Krystal Tena**  
New York  
+ 1 (212) 438-1628  
krystal.tena  
@spglobal.com

May 2026. We view yearly cash flow projections and variance as reasonable, given that Los Angeles County has an expanding tax base, above-average available reserves, and prudent financial management policies and procedures, which we believe will allow the county to effectively navigate any potential economic and fiscal challenges.

The rating further reflects our opinion of Los Angeles County's:

- Very strong projected DSC of 3.3x, with \$1.5 billion of cash balance at maturity;
- Very strong projected DSC of 5.6x, with inclusion of alternative liquidity; and
- History of positive DSC variance when comparing 2026 DSC projections of 3.2x with previous-year actual coverage projection of 5.6x, consistent with performance over at least the past 10 years.

## Environmental, social, and governance

We view environmental factors as elevated given the county's regional exposure to acute physical risks such as drought, extreme heat, water stress, and the recent wildfires, along with the increasing frequency and severity of such events, with recent spread into more urban areas. The county is expected to spend more than \$800 million on wildfire response and recovery efforts, which it believes most of the costs are eligible for reimbursement from the Federal Emergency Management Agency. However, we note that the Eaton and Pacific Palisades areas represent a relatively small portion of the county's vast geographic region, and the wildfires have not negatively affected property tax collections. Management anticipates a final property tax collection rate for fiscal 2026 like fiscal 2025, which was 98%. In addition, we note that the county's fiscal 2027 recommended budget accounts for potential revenue losses and increased expenditures related to the recent fires, and we believe additional assistance from state and federal partners will help offset some costs. Two recovery districts were recently created for Altadena and unincorporated Santa Monica Mountains/Sunset mesa area to leverage property tax growth for recovery projects. In addition, AB 100 was signed into law in April 2025, which provided revenue to the county to offset property tax losses in fiscal years 2025 and 2026 because of the January 2025 wildfires. As of June 2026, the county had received \$88 million from the state through the Los Angeles Fire Recovery Program . Los Angeles County also has elevated exposure to seismic risk, but we believe that strong state building codes partially mitigate this risk.

We view social capital factors as elevated as house price appreciation remains a key driver of regional demographic trends as the issue of affordability leads to increased instances of homelessness or net outmigration. However, addressing affordable housing and combating homelessness remain top priorities of Los Angeles County. The county has implemented various homeless initiatives. In addition, we note in November 2024, voters approved a 0.5% sales tax increase, which generates \$1.1 billion annually to fund mental health programs, affordable housing, and a multi-layered approach to combating homelessness.

We view governance factors as neutral within our credit analysis.

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### Ratings List

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#### New Issue Ratings

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US\$700,000,000 County of Los Angeles, California, 2026-27 Tax & Revenue Anticipation Notes, Series A, dated: July 01, 2026, due: June 30, 2027

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Short Term Rating

SP-1+

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#### New Rating

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**Ratings List**

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**Local Government**

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Los Angeles Cnty, CA Cash Flow Notes

SP-1+

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The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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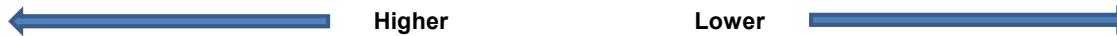
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**LOS ANGELES COUNTY HISTORICAL LONG-TERM RATINGS  
FISCAL YEAR-END 2016 - 2026**

ISSUER RATINGS (General Obligation Bonds)											
FYE June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Fitch	AA	AA	AA	AA+	AA+	AA+	AA+	AA+	AAA	AAA	AAA
	Outlook changed to Stable from Positive										
Moody's	Aa2	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1
S&P	AA+	AA+	AA+	AA+	AAA	AAA	AAA	AAA	AAA	AAA	AAA
				Outlook changed to Positive from Stable	Outlook changed to Negative from Stable	Outlook changed to Stable from Negative					

LEASE RATINGS (Lease Revenue Bonds)											
FYE June 30	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Fitch	AA-	AA-	AA-	AA	AA	AA	AA	AA	AA+	AA+	AA+
Moody's	A1	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
S&P	AA	AA	AA	AA	AA+	AA+	AA+	AA+	AA+	AA+	AA+

LEGEND:	Long Term Rating Equivalency Scale						
Fitch	AAA	AA+	AA	AA-	A+	A	A-
Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3
S&P	AAA	AA+	AA	AA-	A+	A	A-



\* Areas highlighted in green represent a rating upgrade

\* Areas highlighted in yellow represent an outlook change

\* As of June 8, 2026