



ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

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May 21, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

103 May 21, 2024


JEFF LEVINSON
INTERIM EXECUTIVE OFFICER

**ISSUANCE AND SALE OF
2024-25 TAX AND REVENUE ANTICIPATION NOTES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Treasurer and Tax Collector is requesting authorization to issue Tax and Revenue Anticipation Notes (TRANS) to meet the Fiscal Year (FY) 2024-25 cash flow needs of the County General Fund. This short-term borrowing program enables the County to manage the funding of its expenditures and to reduce the need for internal borrowing. We are requesting a maximum authorization for the 2024-25 TRANS in a principal amount not to exceed \$1,000,000,000.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the Resolution authorizing the issuance and sale of the 2024-25 Tax and Revenue Anticipation Notes in an aggregate principal amount not to exceed \$1,000,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the attached Resolution will authorize the issuance of the 2024-25 TRANS and the execution and delivery of all related financing documents. Each year since 1977, the County has issued tax-exempt TRANS in connection with its cash management program for the upcoming fiscal year. This borrowing program is necessary given that the County receives certain revenues, such as property taxes, on an uneven basis throughout the fiscal year. The proceeds generated from the issuance of TRANS are maintained in a separate fund by the Auditor-Controller and utilized on a periodic basis to meet the cash flow needs of the County General Fund. Issuance of the 2024-25 TRANS will reduce the County's need for internal borrowing during the upcoming fiscal year and

provide sufficient cash resources to meet the County's cash flow requirements in FY 2024-25.

Implementation of Strategic Plan Goals

The recommended action supports County Strategic Plan Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The borrowing cost of the 2024-25 TRANs will depend on market conditions on the date of the sale. The Resolution provides that the true interest cost of the TRANs shall not exceed six percent (6%). However, based on current market conditions, the actual cost of borrowing is expected to be lower and may result in a true interest cost of approximately four percent (4%).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County traditionally issues the TRANs as a single series of fixed-rate notes with a one-year final maturity. However, in order to provide the County with maximum flexibility to respond to changing market conditions, the attached resolution provides the flexibility to issue the 2024-25 TRANs in multiple series with different maturity dates that will not exceed 15 months. The 2024-25 TRANs will be structured to achieve the lowest cost of borrowing available to the County in the municipal note market on the day of pricing, which is currently scheduled for mid June 2024. Proceeds from the sale of the 2024-25 TRANs are expected to be available to the County on July 1, 2024.

Consistent with the County's historical practice, the Treasurer and Tax Collector is recommending a negotiated sale of the 2024-25 TRANs. Based on the results of a competitive solicitation process, Morgan Stanley was selected as the lead senior managing underwriter, with RBC Capital Markets appointed to serve as the co-senior manager. Up to four co-managers will be added to the underwriting syndicate for the 2024-25 TRANs prior to the pricing date. County Counsel has selected Orrick, Herrington & Sutcliffe and Hawkins Delafield & Wood to serve as note counsel and disclosure counsel, respectively, for this transaction.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The 2024-25 TRANs are issued as part of a cash management program, which has no direct impact on current services.

CONCLUSION

Upon approval of this Resolution, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted Resolution to the Treasurer and Tax Collector (Office of Public Finance).

The Honorable Board of Supervisors

5/21/2024

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Respectfully submitted,

A handwritten signature in cursive script that reads "Elizabeth B. Ginsberg".

ELIZABETH BUENROSTRO GINSBERG

Treasurer and Tax Collector

EBG:DW:TG:JP:PP:VB:ad

Enclosures

- c: Chief Executive Officer
- Interim Executive Officer, Board of Supervisors
- Auditor-Controller
- County Counsel
- Orrick, Herrington & Sutcliffe
- Hawkins Delafield & Wood
- Morgan Stanley
- RBC Capital Markets

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA PROVIDING FOR THE ISSUANCE AND SALE OF 2024-25 TAX AND REVENUE ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000,000

WHEREAS, the County of Los Angeles (the “**County**”), a political subdivision of the State of California, requires funds for the purposes authorized by Section 53852 of the California Government Code; and

WHEREAS, the County may borrow money pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended (the “**Act**”), for the purposes authorized by Section 53852 of the Act, such indebtedness to be represented by a note or notes of the County; and

WHEREAS, pursuant to the Act, such note or notes are to be issued pursuant to a resolution of the Board of Supervisors of the County (the “**Board**”) and may be issued from time to time as provided in such resolution; and

WHEREAS, the County has determined that it is necessary and in the best interests of the County to authorize the borrowing of an aggregate principal amount not to exceed \$1,000,000,000 with respect to its fiscal year ending June 30, 2025 (“**Fiscal Year 2024-25**”), such indebtedness to be evidenced by the County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes authorized hereby (the “**2024-25 TRANs**”), to be issued on a tax-exempt or taxable basis, in anticipation of the receipt by or accrual to the County during such fiscal year of taxes, income, revenue, cash receipts and other moneys provided for such fiscal year for the General Fund of the County; and

WHEREAS, the terms and provisions of the 2024-25 TRANs shall be as set forth in this Resolution and in the Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes, a form of which has been filed with the Board (such Financing Certificate, in the form filed with the Board, with such changes therein as are made pursuant to this Resolution, being referred to herein as the “**Financing Certificate**”); and

WHEREAS, for purposes of Section 53858 of the Act, the uncollected taxes, income, revenue, cash receipts and other moneys to be received by or accrue to the County during Fiscal Year 2024-25 that will be available for the payment of the 2024-25 TRANs and all other notes issued by the County under the Act in such fiscal year, and the interest thereon, are reasonably estimated to be in excess of \$7,700,000,000; and

WHEREAS, there has been filed with the Board a form of Contract of Purchase, one or more of which are to be executed and delivered by the County and the initial purchasers of all or a portion of the 2024-25 TRANs as may be selected by the Treasurer (as defined herein) from time to time (each such Contract of Purchase, in the form filed with the Board, with such changes therein as are made pursuant to this Resolution, being referred to herein as a “**Contract of Purchase**”); and

WHEREAS, there has been filed with the Board a form of preliminary official statement to be used in connection with the public offering and sale of the 2024-25 TRANs (such preliminary official statement, in the form filed with the Board, with such changes therein as are made pursuant to this Resolution, being referred to herein as a “**Preliminary Official Statement**”); and

WHEREAS, there has been filed with the Board a form of Continuing Disclosure Certificate to be executed and delivered by the County in connection with the public offering and sale of the 2024-25 TRANs (such Continuing Disclosure Certificate, in the form filed with the Board, with such changes therein as are made pursuant to this Resolution, being referred to herein as the “**Disclosure Certificate**”); and

WHEREAS, the County has previously adopted a local debt policy (the “Debt Management Policy”) that complies with California Government Code Section 8855(i), and the sale and issuance of the 2024-25 TRANs as contemplated by this Resolution are in compliance with the Debt Management Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. The foregoing recitals are true and correct and the Board hereby so finds.

Section 2. The form of Financing Certificate, in substantially the form on file with the Board and by this reference incorporated herein, is hereby approved. Subject to the provisions of Section 3 hereof, the Treasurer and Tax Collector of the County, any authorized deputy thereof, and such other officer of the County as the Treasurer and Tax Collector may designate (collectively, the “**Treasurer**”), are, and each of them is, hereby authorized, and hereby directed, for and in the name of and on behalf of the County, to execute and deliver the Financing Certificate, substantially in the form on file with the Board, with such changes therein as may be necessary or as the Treasurer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Treasurer is empowered to implement the fundamental policies established by this Resolution in a manner determined by the Treasurer to be in the best interests of the County, after giving consideration to each of the following with regard to the issuance of the 2024-25 TRANs: (a) market access; (b) the costs to the County; and (c) the generation of sufficient proceeds, as contemplated by this Resolution. Without limiting the foregoing, the Treasurer, subject to Section 3 hereof, may determine the maturity date or dates and amount or amounts for any and each respective series of the 2024-25 TRANs, and the Treasurer is hereby authorized to make conforming changes reflecting such maturity or maturities and amount or amounts to each of the documents approved by this Resolution, including establishing the dates and amounts of Unrestricted Revenues (as defined herein) to be set aside pursuant to Section 10 hereof under the Financing Certificate, as the Treasurer determines are necessary or appropriate. The terms and conditions as set forth (or incorporated by reference) in the Financing Certificate together with the terms and conditions of the 2024-25 TRANs set forth in this Resolution, shall, upon the execution and delivery of the Financing Certificate, be the terms and conditions of such 2024-25 TRANs, as if all such terms and conditions were fully set forth in this Resolution.

Section 3. The 2024-25 TRANs are hereby authorized to be issued in one or more series in an aggregate principal amount not to exceed \$1,000,000,000. The 2024-25 TRANs in one or more series shall mature on any date or dates not later than 13 months from their date of issuance, in each case as shall be established by the Treasurer and set forth in the Financing Certificate.

Each series of 2024-25 TRANs or portion thereof may be issued such that the interest on such series of 2024-25 TRANs is Tax-Exempt or such that the interest on such series of 2024-25 TRANs is not Tax-Exempt. The Board hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on each series of 2024-25 TRANs or portion thereof issued as Taxable Notes will be subject to federal income taxation under the Internal Revenue Code of 1986 (the “**Code**”) in existence on the date of issuance of such series of 2024-25 TRANs. The term “**Tax-Exempt**” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code. The term “**Taxable Notes**” means those 2024-25 TRANs the interest on which is not Tax-Exempt.

Section 4. In consideration of the purchase and acceptance of any and all of the 2024-25 TRANs authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the County and the holders thereof (the “**Holders**”). The pledges, liens, and security interests to be granted by the County that are authorized in this Resolution and set forth in the Financing Certificate, and the covenants and agreements to be performed by and on behalf of the County set forth in this Resolution, shall be for the equal benefit, protection and security of the Holders of any and all of the 2024-25 TRANs, regardless of the maturity or maturities of the separate series of 2024-25 TRANs, if any, all of which shall be of equal rank without preference, priority or distinction of any of the 2024-25 TRANs over any other thereof, except as expressly provided in or permitted by the Financing Certificate.

Section 5. The 2024-25 TRANs may be subject to redemption if so provided, and in the manner provided, in the Financing Certificate.

Section 6. The form of Contract of Purchase, in substantially the form on file with the Board and by this reference incorporated herein, is hereby approved. The Treasurer is authorized to negotiate the sale of each series of the 2024-25 TRANs issued under this Resolution at such prices and interest rates (not to exceed the maximum interest rate permitted by law) as may be established by the Treasurer and set forth in one or more Contracts of Purchase between the County and the respective initial purchasers of all or a portion of the 2024-25 TRANs, substantially in the form submitted to and considered at this meeting of the Board and by this reference incorporated herein; *provided, however*, that (a) the prices and the interest rates for the 2024-25 TRANs of any series shall not result in a true interest cost (taking into consideration all applicable contracts entered into pursuant to Section 12 of this Resolution) to the County with respect to such series of 2024-25 TRANs that exceeds 6.00% per annum, and (b) the aggregate underwriters’ discount (not including any original issue discount) from the principal amount of such series of 2024-25 TRANs issued shall not exceed 1.00% of the aggregate principal amount of such series of 2024-25 TRANs.

The Treasurer is hereby authorized, and is hereby directed, for and in the name of and on behalf of the County, to execute and deliver each Contract of Purchase, substantially in the form on file with the Board, and any other documents required to be executed pursuant to each such Contract of Purchase, with such changes therein as may be necessary or as the Treasurer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The form of the Preliminary Official Statement, in substantially the form on file with the Board and by this reference incorporated herein, is hereby approved. The Treasurer is hereby authorized to prepare and distribute, or cause to be prepared and distributed, one or more Preliminary Official Statements in substantially the form presented to this meeting, with such changes as the Treasurer may approve. The Treasurer is hereby further authorized, for and in the name of and on behalf of the County, to execute and deliver a certificate or other instrument deeming each Preliminary Official Statement to be final as of its respective date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

Section 8. The Treasurer is hereby authorized, for and in the name of and on behalf of the County, to approve one or more final official statements for the 2024-25 TRANs (each, an **“Official Statement”**) authorized hereby, each in substantially the form of the respective Preliminary Official Statement, with such insertions and changes therein as the Treasurer may require or approve, in his or her discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the delivery of such Official Statement or Official Statements.

Section 9. All or any portion of the 2024-25 TRANs may be sold with credit enhancement (such as a letter of credit or policy of municipal bond insurance), if the Treasurer determines that the savings and benefits to the County resulting from the purchase of such credit enhancement exceed the cost thereof. The form, terms and conditions of each instrument providing such credit enhancement or liquidity support shall be as approved by the Treasurer.

Section 10. The Auditor-Controller of the County (the **“Auditor-Controller”**) is hereby directed to establish or cause to be established a **“2024-25 TRANs Repayment Fund”** (the **“2024-25 TRANs Repayment Fund”**) and any additional subaccounts therein that the Auditor-Controller deems necessary to effectuate the purposes of this Resolution.

For purposes of the 2024-25 TRANs, the term **“Unrestricted Revenues”** shall mean the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2024-25 which will be received by or will accrue to the County during such fiscal year for the General Fund of the County and which are lawfully available for the payment of current expenses and other obligations of the County; and the term **“Pledged Revenues”** shall have the meaning specified in the Financing Certificate, as the Financing Certificate shall be completed as provided in this Resolution. There is hereby authorized, as provided in the Act, as security for the payment of the 2024-25 TRANs and the interest thereon, the grant by the County of the pledges, liens, and security interests specified in the Financing Certificate, as the Financing Certificate shall be completed as provided in this Resolution. The Treasurer is hereby authorized to determine the amounts of the first Unrestricted Revenues to be received by the County, and the applicable periods of time for which such Unrestricted Revenues are received, to be subject to the pledge of, lien on, and security

interest in the Pledged Revenues granted in the Financing Certificate equal to the amount or amounts, or in the proportion of the total amount due, specified in the Financing Certificate, as the Financing Certificate shall be completed as provided in this Resolution.

In addition, as provided in Section 53856 of the Act, the 2024-25 TRANs and the interest thereon, shall be a first lien and charge against, and shall be payable from the first moneys received by the County from, the Pledged Revenues. The County hereby covenants to deposit or cause to be deposited in the 2024-25 TRANs Repayment Fund, in trust for the registered owners of the 2024-25 TRANs, the Pledged Revenues to be so deposited, and the Auditor-Controller is hereby directed to deposit the Pledged Revenues in the 2024-25 TRANs Repayment Fund. To the extent that any amounts actually received pursuant to the set-aside requirements set forth above (as shall be completed as provided in the Financing Certificate) are less than the amount designated for each such set-aside, then the amount of any deficiency in the 2024-25 TRANs Repayment Fund shall be satisfied and made up from any other moneys of the County lawfully available therefor and the Auditor-Controller is hereby directed to deposit additional amounts from any such other moneys of the County into the 2024-25 TRANs Repayment Fund.

The Pledged Revenues may be invested in Permitted Investments (as defined in the Financing Certificate); provided, however, that such Pledged Revenues shall not be invested for a term that exceeds the term of the 2024-25 TRANs and that earnings on amounts in the 2024-25 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the County. Any amounts remaining in the 2024-25 TRANs Repayment Fund after repayment of all 2024-25 TRANs and the interest thereon shall be transferred to any account in the General Fund of the County as the Treasurer may direct.

Section 11. The form of Disclosure Certificate on file with the Board and by this reference incorporated herein is hereby approved. The Treasurer is hereby authorized for and in the name of and on behalf of the County to execute and deliver the Disclosure Certificate substantially in the form on file with the Board, with such changes therein as may be necessary or as the Treasurer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. Pursuant to Section 5922 of Chapter 12, Division 6, Title 1 of the California Government Code, as amended, the Board hereby authorizes the Treasurer, in connection with, or incidental to, the issuance or carrying of the 2024-25 TRANs, or the acquisition or carrying of any investment or program of investment by the County, to enter into any contracts, including without limitation contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures or contracts providing for payments based on levels of, or changes in, interest rates or stock or other indices, or contracts to exchange cashflows or a series of payments, or contracts, including without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar exposure, which the Treasurer determines to be necessary or appropriate (with such terms and provisions as the Treasurer deems necessary or appropriate) to place the obligation or investment represented by such 2024-25 TRANs, such investment or program of investment, or such contract or contracts, in whole or in part, on the interest rate, cashflow or other basis determined by the Treasurer. The principal or notional amount with respect to any such contract entered into shall not exceed the greater of the aggregate principal amount of the 2024-25 TRANs or the amount of Pledged Revenues.

These contracts and arrangements shall be entered into with the parties, including without limitation the initial purchasers of any 2024-25 TRANs, selected by the means determined by the Treasurer, and shall contain the payment, security, default, remedy and other terms and conditions determined by the Treasurer, after giving due consideration for the creditworthiness of the counterparties, where applicable, including any rating by a nationally recognized rating agency or any other criteria as may be appropriate. The form, terms and conditions of any such contract entered into shall be as approved by the Treasurer and consistent with the purposes of this Resolution and the Financing Certificate.

The Board hereby finds and determines that the contracts authorized by this Section are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the issuance of the 2024-25 TRANs and to enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incident to, the contract or arrangement which is entered into.

Section 13. Whenever any document or instrument, including without limitation any 2024-25 TRANs, any Contract of Purchase or the Financing Certificate, or any term, provision or condition thereof, is to be approved or established by an authorized officer of the County pursuant to this Resolution, such approval or establishment shall be conclusively evidenced by such authorized officer's execution of such document or instrument or the document or instrument containing such term, provision or condition.

Section 14. With the passage of this Resolution, the Board hereby certifies that the Debt Management Policy complies with California Government Code Section 8855(i), and that the 2024-25 TRANs authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the County, with respect to each series of 2024-25 TRANs issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the 2024-25 TRANs to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and (b) to check, on behalf of the County, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to California Government Code Section 8855.

Section 15. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all agreements, documents, certificates and instruments and do and perform any and all acts and things, from time to time, consistent with this Resolution and the Financing Certificate and necessary or appropriate to carry the same into effect and to carry out its purposes.

Section 16. This Resolution shall take effect immediately upon its adoption.

**FINANCING CERTIFICATE
PROVIDING FOR THE TERMS AND CONDITIONS
OF ISSUANCE AND SALE OF COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTES**

Dated: _____, 2024

\$_[_____]
COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTES

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**FINANCING CERTIFICATE
PROVIDING FOR THE TERMS AND CONDITIONS
OF ISSUANCE AND SALE OF COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTES**

In connection with the issuance and sale of the 2024-25 Tax and Revenue Anticipation Notes (the “**2024-25 TRANs**”) by the County of Los Angeles, California (the “**County**”), the Treasurer and Tax Collector of the County of Los Angeles (the “**Treasurer**”) hereby certifies that the 2024-25 TRANs shall be issued on the following terms and conditions:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Definitions. The following terms shall for all purposes of this Certificate have the following meanings:

“**Act**” shall mean Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended.

“**Auditor-Controller**” shall mean the Auditor-Controller of the County, and any other person designated by the Auditor-Controller to act on his or her behalf.

“**Authorized Denominations**” shall mean \$5,000 or any integral multiple thereof.

“**Authorized Newspapers**” shall mean *The Bond Buyer* and two other newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, in Los Angeles, California, and in the Borough of Manhattan, City and State of New York.

“**Board**” shall mean the Board of Supervisors of the County.

“**Business Day**” shall mean any calendar day other than (i) a Saturday or Sunday; (ii) a day on which banking institutions are authorized or required by law to be closed for commercial banking purposes in either the State of New York or the State of California or in the state in which the Principal Office of the Paying Agent is located; or (iii) a day on which the New York Stock Exchange is closed.

“**Certificate**” shall mean this “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes,” as from time to time amended or supplemented in accordance with the terms hereof.

“**Chair**” shall mean the Chair, Chairperson, Chairman or Mayor of the Board.

“**Code**” shall mean the Internal Revenue Code of 1986.

“**County**” shall mean the County of Los Angeles, California, its successors and assigns.

“**DTC**” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“**Event of Default**” shall have the meaning assigned to such term in Section 503.

“**Fiscal Year 2024-25**” shall mean the County’s fiscal year ending June 30, 2025.

“**Fitch**” shall mean Fitch Ratings, 33 Whitehall Street, New York, New York 10004, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Moody’s or S&P) designated by the County.

“**General Fund**” shall mean the General Fund of the County.

“**Holder**” shall mean the Person in whose name any 2024-25 TRANs is registered on the Note Register.

“**Maturity Date**” shall mean any date or dates of maturity of the 2024-25 TRANs as set forth in the 2024-25 TRANs and Section 203 hereof.

“**Maximum Interest Rate**” shall mean the maximum interest rate allowed by law.

“**Moody’s**” shall mean Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the County.

“**Note Register**” shall mean the registration books for the 2024-25 TRANs maintained by the Note Registrar pursuant to Section 302.

“**Note Registrar**” shall mean the Treasurer or any other Note Registrar appointed by the County pursuant to this Certificate.

“**Official Statement**” shall mean that certain Official Statement dated [____], 2024, relating to the 2024-25 TRANs, including any approved supplement or amendment thereto.

“**Opinion of Bond Counsel**” shall mean a written opinion of any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on bonds issued by states and political subdivisions thereof, and duly admitted to practice law before the highest court of any state of the United States of America.

“Outstanding,” when used with reference to the 2024-25 TRANs, shall mean, as of any date, all of the 2024-25 TRANs theretofore or thereupon being issued under this Certificate except:

- (i) 2024-25 TRANs cancelled on or prior to such date;
- (ii) 2024-25 TRANs for which other 2024-25 TRANs shall have been delivered in lieu of or in substitution therefor pursuant to Article III; and
- (iii) 2024-25 TRANs referred to in Section 305.

“Participant” shall mean an entity which is recognized as a participant by the Securities Depository in the book-entry system of maintaining records with respect to the 2024-25 TRANs.

“Paying Agent” shall mean the Treasurer, or any successor Paying Agent appointed by the County to perform the functions of a paying agent for the 2024-25 TRANs as provided herein.

“Payment Date” shall mean any date on which the Paying Agent transfers an amount equal to the principal of or interest then due on the 2024-25 TRANs to the Holders thereof.

“Permitted Investments” shall mean, to the extent permitted by law:

- (i) Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America,
- (ii) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board; (b) the Federal Home Loan Mortgage Corporation; (c) the Federal National Mortgage Association (“FNMA”); (d) Federal Farm Credit Bank; (e) Government National Mortgage Association; (f) Student Loan Marketing Association; and (g) guaranteed portions of Small Business Administration notes,
- (iii) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by Moody’s, S&P, or Fitch and “P-1,” “A-1,” “F1” or better rating for the issuer’s short-term debt as provided by Moody’s, S&P, or Fitch, respectively. The maximum total par value may be up to 15% of the total amount held by the Treasurer in accordance with this Certificate,
- (iv) The Los Angeles County Treasury Pool,
- (v) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days, with a maximum par value of 40% of the total amount held

by the Treasurer in accordance with this Certificate. The institution must have a minimum short-term debt rating of “A-1,” “P-1,” or “F1” by S&P, Moody’s, or Fitch, respectively, and a long-term debt rating of no less than “A” by S&P, Moody’s, or Fitch,

- (vi) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 *et seq.*) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency. The maximum par value may be up to 15% of the total amount held by the Treasurer in accordance with this Certificate,
- (vii) Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P, Moody’s, or Fitch. The maximum par value may be up to 30% of the total amount held by the Treasurer in accordance with this Certificate,
- (viii) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (ii) above. The maximum par value per issuer may not exceed \$500,000,000 and the maximum total par value for all such agreements with funds held by the Treasurer hereunder may not exceed \$1,000,000,000, and
- (ix) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA” or “Aa2” by S&P or Moody’s, respectively.

Notwithstanding anything within this definition of Permitted Investments to the contrary, so long as S&P maintains a rating on the 2024-25 TRANs, to the extent Pledged Revenues are invested in Permitted Investments described in paragraphs (iii), (v), (vii) or (ix), such investments must be rated by S&P at the respective S&P ratings described therein.

“**Person**” shall mean an individual, corporation, firm, limited liability company, association, partnership, trust or other legal entity, including a governmental entity or any agency or political subdivision thereof.

“**Pledged Revenues**” shall mean, as of any date, the Unrestricted Revenues required hereby to be deposited in the 2024-25 TRANs Repayment Fund on or prior to that date.

“**Principal Office**” shall mean (i) with respect to the Treasurer, the principal office of the Treasurer in Los Angeles, California, and (ii) with respect to any other Paying Agent, the principal corporate trust office of such Paying Agent.

“Rating Agency” shall mean Moody’s, S&P, Fitch or any other nationally recognized securities rating agency designated by the County.

“Record Date” means the 15th calendar day of the month preceding each interest payment date of a 2024-25 TRAN, whether or not such day is a Business Day.

“Representation Letter” shall mean one or more letters of representation from the County to, or other instruments or agreements of the County with, a Securities Depository in which the County, among other things, makes certain representations to such Securities Depository with respect to the 2024-25 TRANs, the payment thereof and delivery of notices with respect thereto.

“Resolution” shall mean the “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2024-25 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$[NTE AMOUNT]” adopted on [____], 2024, as from time to time amended by any Supplemental Resolution in accordance with the terms hereof.

“S&P” shall mean Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 55 Water Street, New York, New York 10041, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Fitch or Moody’s) designated by the County.

“Securities Depository” shall mean DTC or any successor as Securities Depository for the 2024-25 TRANs appointed pursuant to Section 202.

“State” shall mean the State of California.

“Supplemental Certificate” shall mean any supplemental financing certificate amending or supplementing this Certificate in accordance with Article VII.

“Supplemental Resolution” shall mean any resolution amending the Resolution, adopted by the County in accordance with Article VII.

“Tax Certificate” shall mean the applicable Tax Certificate, executed by the County on the date of issuance and delivery of the related 2024-25 TRANs, as amended from time to time.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Taxable Notes” means those 2024-25 TRANs the interest on which is not Tax-Exempt.

“**2024-25 TRANs**” shall mean the County’s 2024-25 Tax and Revenue Anticipation Notes, issued in an aggregate principal amount of \$[_____], and authorized pursuant to the Resolution.

“**2024-25 TRANs Proceeds Fund**” shall mean the 2024-25 TRANs Proceeds Fund as described in Section 401.

“**2024-25 TRANs Repayment Fund**” shall mean the 2024-25 TRANs Repayment Fund established in accordance with the Resolution and described in Section 402.

“**Treasurer**” shall mean the Treasurer and Tax Collector of the County, the Chief Deputy Treasurer and Tax Collector of the County, the Assistant Treasurer and Tax Collector of the County and any other person designated by the Treasurer to act on his or her behalf.

“**Unrestricted Revenues**” means the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2024-25 which will be received by or will accrue to the County during such fiscal year for the General Fund of the County and which are lawfully available for the payment of current expenses and other obligations of the County.

Section 102. Other Definitional Provisions. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and words of the feminine gender shall be deemed and construed to include correlative words of the masculine and neuter genders. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Headings of articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. Unless otherwise indicated, all references herein to “Articles,” “Sections” or other subdivisions are to the corresponding Articles, Sections or subdivisions of this Certificate; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Certificate as a whole and not to any particular Article, Section or subdivision hereof.

Section 103. Authority for Delivery of Certificate. This Certificate is executed and delivered pursuant to and in connection with the Resolution.

Section 104. Timing of Actions. Whenever in this Certificate there is designated a time of day at or by which a certain action must be taken, such time shall be local time in New York City, New York, except as otherwise specifically provided herein.

Section 105. Financing Certificate to Constitute Contract. In consideration of the purchase and acceptance of any and all of the 2024-25 TRANs to be issued hereunder by those who shall hold the same from time to time, this Certificate shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the 2024-25 TRANs. The pledges, liens, and security interests set forth in this Certificate and the covenants and agreements herein set forth to be performed by and on behalf of the County shall be for the equal benefit, protection and security of the Holders of any and all of the 2024-25 TRANs all of which shall be of equal rank without preference, priority or distinction of any of the 2024-25 TRANs over any other thereof, except as expressly provided in or permitted by this Certificate.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF 2024-25 TRANS

Section 201. Authorization, Form and Date of 2024-25 TRANS.

1. The 2024-25 TRANS in an aggregate principal amount of not to exceed \$[NTE AMOUNT] have been authorized to be issued in one or more series pursuant to the Resolution and are entitled to the benefit, protection and security thereof. The 2024-25 TRANS shall be issued in anticipation of the receipt by or accrual to the County during Fiscal Year 2024-25 of taxes, income, revenue, cash receipts and other moneys provided for such fiscal year for the General Fund of the County. Such notes shall be designated as and shall be distinguished from the notes and securities of all other issues of the County by the title "County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes."

2. As of the date hereof, the County has authorized the issuance of \$[] aggregate principal amount of 2024-25 TRANS hereby designated the "2024-25 Tax and Revenue Anticipation Notes."

3. The 2024-25 TRANS shall be issued in fully registered form, without coupons and in Authorized Denominations, and the 2024-25 TRANS shall initially be issued in book-entry only form pursuant to Section 202. The County hereby certifies and recites that all acts, conditions and things required by the Act, the Resolution and this Certificate to exist, to have happened, and to have been performed precedent to and during the issuance of the 2024-25 TRANS do exist, have happened and have been performed in due time, form and manner, as required by the Act, the Resolution and this Certificate. The 2024-25 TRANS shall be in substantially the form attached hereto as Exhibit I, which form is hereby approved and adopted as the form of the 2024-25 TRANS.

4. Except as otherwise provided in a Representation Letter, interest due on each 2024-25 TRANS, prior to the maturity thereof, if any, shall be payable in lawful money of the United States of America to the person in whose name such 2024-25 TRANS is registered on the registration books of the Note Registrar as of the close of business on the Record Date immediately preceding such interest payment date, such interest to be paid by check of the Paying Agent mailed by first class mail, postage prepaid, on such interest payment date to such person at his or her address shown on the registration books of the Note Registrar as of the close of business on such Record Date. Except as otherwise provided in a Representation Letter, at and after each Maturity Date of the 2024-25 TRANS, the principal of and interest then due on the 2024-25 TRANS shall be payable in lawful money of the United States of America upon surrender of the 2024-25 TRANS at the Principal Office of the Paying Agent. The 2024-25 TRANS so surrendered to the Paying Agent on any Business Day at or prior to 12:00 noon shall be paid in funds immediately available on such Business Day. The 2024-25 TRANS so surrendered to the Paying Agent on any Business Day after 12:00 noon, California time, shall be paid on the next succeeding Business Day in funds immediately available on such succeeding Business Day.

Section 202. Book-Entry Notes.

1. Except as otherwise provided in this Section and subject to any limitation on maximum principal amount imposed by DTC, the 2024-25 TRANs shall be initially issued in the form of a single, separate fully registered note (which may be typewritten) in the full aggregate principal amount for each maturity of such 2024-25 TRANs, and upon initial issuance, the ownership of such 2024-25 TRANs shall be registered in the Note Register in the name of Cede & Co., as nominee of DTC, the initial Securities Depository. Except as otherwise provided in this Section, all of the 2024-25 TRANs shall be registered in the Note Register in the name of Cede & Co., or such other nominee of DTC or any successor Securities Depository or the nominee thereof, as shall be specified pursuant to a Representation Letter.

2. With respect to 2024-25 TRANs registered in the Note Register in the name of the Securities Depository, or its nominee, the County and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in any such 2024-25 TRANs. Without limiting the generality of the immediately preceding sentence, the County and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Securities Depository, the nominee of the Securities Depository or any Participant with respect to any ownership interest in the 2024-25 TRANs, (b) the delivery to any Participant or any other Person, other than a Holder as shown in the Note Register, of any notice with respect to the 2024-25 TRANs or (c) the payment to any Participant or any other Person, other than a Holder as shown in the Note Register, of any amount with respect to principal of or interest on the 2024-25 TRANs. The County may treat and consider the Person in whose name any 2024-25 TRAN is registered in the Note Register as the Holder and absolute owner of such 2024-25 TRANs for the purpose of payment of principal and interest on such 2024-25 TRANs and for all other purposes whatsoever.

3. The Paying Agent shall pay all principal of and interest on the 2024-25 TRANs only to or upon the order of the respective Holders, as shown in the Note Register on the respective Maturity Dates thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the 2024-25 TRANs under this Certificate and the 2024-25 TRANs to the extent of the sums so paid. Upon delivery by the Securities Depository to the Treasurer of written notice to the effect that the Securities Depository has determined to substitute a new nominee, the word “nominee” in this Certificate shall refer to such new nominee of the Securities Depository.

4. In order to qualify the 2024-25 TRANs for the Securities Depository’s book-entry system, the Treasurer has been authorized to execute and deliver, or has executed and delivered, on behalf of the County to the Securities Depository a Blanket Letter of Representations regarding such matters as shall be necessary to so qualify such 2024-25 TRANs for deposit with the Securities Depository. The execution and delivery of the Representation Letter or Representation Letters shall not in any way limit the provisions of paragraph 2 of this Section or in any other way impose upon the County any obligation whatsoever with respect to Persons having interests in the 2024-25 TRANs other than the Holders as shown in the Note Register. In addition to the execution and delivery of the Blanket Letter of Representations, the Treasurer and

all other officers of the County, and their authorized representatives, are each hereby authorized to take any other actions as they deem necessary or desirable, not inconsistent with this Certificate, to qualify such 2024-25 TRANs for the Securities Depository's book-entry program.

5. In the event (a) the incumbent Securities Depository determines not to continue to act as Securities Depository for the 2024-25 TRANs or (b) the County determines that the incumbent Securities Depository shall no longer so act, and delivers a written certificate to the incumbent Securities Depository to that effect, then the County will discontinue the book-entry system for the 2024-25 TRANs with the incumbent Securities Depository. If the County determines to replace the incumbent Securities Depository with another qualified Securities Depository, the County shall prepare or direct the preparation of and execute, and the Paying Agent shall authenticate and deliver, subject to any limitation on maximum principal amount imposed by the successor Securities Depository, a new single, separate fully registered note (which may be typewritten) for the aggregate outstanding principal amount of the 2024-25 TRANs held by the incumbent Securities Depository, registered in the name of such successor or substitute qualified Securities Depository or its nominee, or make such other arrangement acceptable to the County and the successor Securities Depository as are not inconsistent with the terms of this Certificate. If the County fails to identify another qualified successor Securities Depository to replace the incumbent Securities Depository, then the 2024-25 TRANs shall no longer be restricted to being registered in the Note Register in the name of the Securities Depository or its nominee, but shall be registered in whatever name or names the Securities Depository or its nominee shall designate. In such event, the County shall prepare or direct the preparation of and execute, and the Paying Agent shall authenticate and deliver to the Holders thereof, such 2024-25 TRANs as are necessary or desirable to carry out the transfers and exchanges provided in this Section and Section 302. All such 2024-25 TRANs shall be in fully registered form in the denominations authorized upon original issuance pursuant to Section 201.

6. Notwithstanding any other provision of this Certificate to the contrary, so long as any 2024-25 TRANs is registered in the name of the Securities Depository or its nominee, all notices and payments with respect to principal of and interest on such 2024-25 TRANs shall be given and made, respectively, as provided in a Representation Letter or as otherwise instructed by the Securities Depository.

Section 203. Maturity Date, Principal Amount of and Interest on the 2024-25 TRANs.

1. The 2024-25 TRANs shall be dated [_____, 2024]. Interest shall be paid on [_____, 202___, and each][the] Maturity Date of the 2024-25 TRANs. The 2024-25 TRANs shall bear interest from their date of original issuance and interest shall be calculated at the rate or rates set forth below per annum, on the basis of a 360-day year comprised of twelve months of 30 days each.

2. The 2024-25 TRANs shall mature on the date[s] and in the principal amount[s] and bear interest at the respective rate[s] as set forth in the following table:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
[_____, 2025]	[\$_____]	[_____]%

3. [The 2024-25 TRANs shall not be subject to redemption prior to their respective Maturity Dates.]

ARTICLE III

GENERAL TERMS AND PROVISIONS OF 2024-25 TRANS

Section 301. Execution of 2024-25 TRANs; Authentication.

1. The 2024-25 TRANs shall be executed in the name of the County by the manual or facsimile signature of the Chair of the Board and the Executive Officer-Clerk of the Board, and the County’s seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. No 2024-25 TRANs shall be entitled to any benefit under the Resolution or this Certificate or be valid or obligatory for any purpose, unless there appears on such 2024-25 TRANs, a certificate of authentication substantially in the form provided for herein, executed by the manual signature of the Paying Agent. Such certificate upon any 2024-25 TRANs shall be conclusive evidence, and the only evidence, that such 2024-25 TRANs has been duly issued, authenticated and delivered hereunder.

2. In case any one or more of the officers who shall have signed or sealed any of the 2024-25 TRANs shall cease to be such officer before the 2024-25 TRANs so signed and sealed shall have been issued, such 2024-25 TRANs so signed and sealed may nevertheless be issued, as herein provided, as if such persons who signed or sealed such 2024-25 TRANs had not ceased to hold such offices. Any of the 2024-25 TRANs may be signed and sealed on behalf of the County by such persons as at the time of the execution of such 2024-25 TRANs shall be duly authorized to hold or shall hold the proper office in the County, although on the date borne by the 2024-25 TRANs such persons may not have been so authorized or have held such office.

Section 302. Negotiability, Transfer and Exchange.

1. The Note Registrar will keep at its Principal Office sufficient books for the registration of transfer and exchange of the 2024-25 TRANs, which shall at all times be open to inspection by the County, and upon presentation for such purpose, the Note Registrar shall, under such reasonable regulations as it may prescribe, register or transfer 2024-25 TRANs on such books as hereinafter provided.

2. Any 2024-25 TRANs may, in accordance with its terms, be registered as transferred or exchanged upon the Note Register by the Person in whose name it is registered, in person or by such Person’s duly authorized attorney, upon surrender of such 2024-25 TRANs for cancellation at the office of the Note Registrar accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Note Registrar. Whenever any 2024-25 TRANs shall be surrendered for transfer, the County shall execute, and the Paying Agent shall authenticate and deliver new 2024-25 TRANs for a like aggregate principal amount

of the same type, with the same provisions, including maturity date and interest rate, and in Authorized Denominations. The Note Registrar shall require the payment by the Holder requesting such transfer of all expenses incurred by the Note Registrar and the County in connection with such transfer and any tax or other governmental charge required to be paid with respect to such transfer.

3. The County and the Paying Agent may deem and treat the Holder of any 2024-25 TRANs as the absolute owner of such 2024-25 TRANs, regardless of whether such 2024-25 TRANs shall be overdue, for the purpose of receiving payment thereof and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effective to satisfy and discharge the liability upon such 2024-25 TRANs to the extent of the sum or sums so paid, and neither the County nor any Paying Agent shall be affected by any notice to the contrary. The County agrees, to the extent permitted by law, to indemnify and hold each Paying Agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Certificate, in so treating such Holder.

4. The 2024-25 TRANs shall not be exchangeable for other 2024-25 TRANs except as provided in Section 202, this Section and Section 303.

Section 303. 2024-25 TRANs Mutilated, Destroyed, Stolen or Lost. In case any 2024-25 TRANs shall become mutilated or be destroyed, stolen or lost, the County shall issue new 2024-25 TRANs of like principal amount, denomination and tenor as the 2024-25 TRANs so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated 2024-25 TRANs, or in lieu of and substitution for the 2024-25 TRANs destroyed, stolen or lost, upon the filing with the Paying Agent and the County of evidence satisfactory to the Paying Agent and the County that such 2024-25 TRANs have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Paying Agent and the County with indemnity satisfactory to the Paying Agent and the County and complying with such other reasonable regulations as the Paying Agent and the County may prescribe and paying such expenses as the Paying Agent and the County may incur. All 2024-25 TRANs so surrendered shall be cancelled. Any such substitute 2024-25 TRANs shall constitute original contractual obligations on the part of the County, whether or not the 2024-25 TRANs alleged to be destroyed, stolen or lost are at any time enforceable by anyone. Such substitute 2024-25 TRANs shall be equally secured by and entitled to equal and proportionate benefits with all other 2024-25 TRANs issued under the Resolution and this Certificate in any moneys or securities held by the County or the Paying Agent for the benefit of the Holders of the 2024-25 TRANs.

Section 304. Cancellation. All 2024-25 TRANs which at or after maturity are surrendered to the Paying Agent for the collection of the principal thereof and interest thereon shall be cancelled by the Paying Agent and forthwith destroyed by the Paying Agent. The Paying Agent shall deliver to the County a certificate specifying the cancellation of such 2024-25 TRANs. In all matters provided for in this Section, the County shall act through the Treasurer.

Section 305. 2024-25 TRANs Held by County. If the County shall become the Holder of any 2024-25 TRANs, such 2024-25 TRANs shall no longer be deemed Outstanding and shall

be surrendered to the Paying Agent for cancellation; provided, however, that the County shall not be deemed to be the Holder of any 2024-25 TRANs held by it in a fiduciary capacity.

ARTICLE IV

ESTABLISHMENT OF 2024-25 TRANs PROCEEDS FUND AND REPAYMENT FUND AND APPLICATION THEREOF

Section 401. Use of Proceeds of 2024-25 TRANs.

1. The Auditor-Controller is hereby directed to establish the “2024-25 TRANs Proceeds Fund” and to establish any subaccounts within the 2024-25 TRANs Proceeds Fund if deemed necessary to effectuate the purposes of the Resolution and this Certificate. The proceeds of the sale of the 2024-25 TRANs upon original issuance shall be deposited in said 2024-25 TRANs Proceeds Fund. The County shall make disbursements from the 2024-25 TRANs Proceeds Fund to pay current Fiscal Year 2024-25 expenditures and to discharge other obligations or indebtedness of the County in accordance with Section 53852 of the Act and the instructions and agreements set forth in the Tax Certificate. Amounts on hand in the 2024-25 TRANs Proceeds Fund shall be accounted for separately from the other funds of the County and shall be invested so as to be available for the aforementioned disbursements. The Auditor-Controller shall keep a written record of all investments and investment earnings of amounts in the 2024-25 TRANs Proceeds Fund, as well as a written record of disbursements from the 2024-25 TRANs Proceeds Fund.

2. Without limiting the generality of paragraph 1 of this Section, the Treasurer and his or her respective designees are authorized to pay the fees and reasonable expenses incurred in connection with the authorization, sale and issuance of the 2024-25 TRANs out of moneys in the 2024-25 TRANs Proceeds Fund or any account in the General Fund of the County.

Section 402. Payment and Security for the 2024-25 TRANs. Pursuant to the Resolution, the Auditor-Controller is hereby directed to establish the “2024-25 TRANs Repayment Fund” and to establish any subaccounts within the 2024-25 TRANs Repayment Fund if deemed necessary to effectuate the purposes of the Resolution and this Certificate. As provided in the Act, as security for the payment of the 2024-25 TRANs and the interest thereon, the County hereby pledges and grants a lien on and a security interest in the first Unrestricted Revenues to be received by the County, in each period specified below, in an amount equal to the amount specified below:

(a) [the first \$_____ Unrestricted Revenues to be received by the County on and after _____, 202__], in an amount equal to [____ (____)% of the principal amount of the 2024-25 TRANs];]

(b) [the first \$_____ Unrestricted Revenues to be received by the County on and after _____, 202__], in an amount equal to [____ (____)% of the principal amount of the 2024-25 TRANs]; and]

(c) [(1) the first \$_____ Unrestricted Revenues to be received by the County on and after _____, 202__ [in an amount equal to [____ (____)% of the

principal amount of the 2024-25 TRANs], plus (2) an amount equal to the interest that will become due on the 2024-25 TRANs at maturity.]

In addition to the pledge, lien, and security interest set forth above, as security for the payment of the 2024-25 TRANs and the interest thereon, the County also hereby pledges and grants a lien on and a security interest in the 2024-25 TRANs Repayment Fund, all amounts and other property on deposit in or credited to the 2024-25 TRANs Repayment Fund and all investments thereof. The property described in the immediately preceding sentence shall not be used for any purpose other than to make payments on the 2024-25 TRANs and the interest thereon until the 2024-25 TRANs and the interest thereon have been paid in full or such payment has been duly provided for; provided, however, that earnings on amounts in the 2024-25 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the County.

As provided in Section 53856 of the Act, the 2024-25 TRANs and the interest thereon shall in addition be a first lien and charge against, and shall be payable from the first moneys received by the County from, the Pledged Revenues. The County hereby covenants to deposit or cause to be deposited in the 2024-25 TRANs Repayment Fund, in trust for the registered owners of the 2024-25 TRANs, the Pledged Revenues to be so deposited, and the Auditor-Controller is hereby directed to deposit the Pledged Revenues in the 2024-25 TRANs Repayment Fund. To the extent that any amounts received pursuant to clauses [(a) through (c)] above are less than the total amount designated for such deposit, then the amount of any deficiency in the 2024-25 TRANs Repayment Fund shall be satisfied and made up from any other moneys of the County lawfully available therefor and the Auditor-Controller is hereby directed to deposit additional amounts from any such other moneys of the County into the 2024-25 TRANs Repayment Fund.

The Paying Agent shall use the moneys in the 2024-25 TRANs Repayment Fund on the interest payment date or dates to pay interest on the 2024-25 TRANs then due and on the maturity date or dates of the 2024-25 TRANs to pay the principal of and interest on the 2024-25 TRANs then due. If for any reason amounts in the 2024-25 TRANs Repayment Fund are insufficient to pay the 2024-25 TRANs in full, such amounts shall be applied to the payment of principal of and interest payable upon the 2024-25 TRANs in order of the due dates thereof and pro-rata for amounts due on a date for which there are insufficient funds to pay all amounts due on such date. Any amounts remaining in the 2024-25 TRANs Repayment Fund after repayment of all 2024-25 TRANs and the interest thereon shall be transferred to any account in the General Fund of the County as the Treasurer or any of his or her respective designees may direct.

The Pledged Revenues may be invested in Permitted Investments; provided, however, that such Pledged Revenues shall not be invested for a term that exceeds the term of the 2024-25 TRANs.

ARTICLE V

CERTAIN COVENANTS; EVENTS OF DEFAULT AND REMEDIES

Section 501. General Covenants and Representations. The County shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the County under the provisions of the Act, the Resolution and this Certificate.

1. Upon the date of issuance of the 2024-25 TRANs, all conditions, acts and things required of the County by the Act, the Resolution and this Certificate to exist, to have happened and to have been performed precedent to and during the issuance of the 2024-25 TRANs, shall exist, shall have happened and shall have been performed, in due time, form and manner, and the issue of 2024-25 TRANs, together with all other indebtedness of the County, shall be within every applicable debt and other limit prescribed by the laws of the State.

2. The County shall not issue any notes, or otherwise incur any indebtedness, pursuant to the Act with respect to Fiscal Year 2024-25 in an amount which, when added to the interest payable thereon, shall exceed 85% of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys of the County which will be available for the payment of said notes or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on such notes or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the County, the term of which will terminate during said Fiscal Year, such principal and interest may be disregarded in computing said limit.

3. The County shall provide, in a timely manner, notice to each Rating Agency that is then providing a rating for the 2024-25 TRANs of the following events:

(a) the substitution or appointment of a successor Paying Agent; and

(b) any material amendments to the Resolution, this Certificate, any of the 2024-25 TRANs or the Official Statement.

Section 502. Covenants Relating to the Code. The County shall do the following with respect to the 2024-25 TRANs:

1. The County shall comply with each applicable requirement of the Code necessary to maintain the exclusion of interest on Tax-Exempt 2024-25 TRANs from gross income for federal income tax purposes. In furtherance of the foregoing tax covenant, the County agrees to comply with the provisions of each Tax Certificate with respect to each series of Tax-Exempt 2024-25 TRANs. The County shall make all calculations as provided in each Tax Certificate relating to any rebate of excess investment earnings on Tax-Exempt 2024-25 TRANs proceeds due to the United States Department of Treasury in a reasonable and prudent fashion and shall segregate and set aside the amounts such calculations indicate may be required to be paid to the United States Department of Treasury.

2. Notwithstanding any other provisions of this Certificate to the contrary, so long as necessary to maintain the exclusion from gross income of interest on any Tax-Exempt 2024-25 TRANs for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2024-25 TRANs and the interest thereon.

3. Notwithstanding any other provision of this Certificate to the contrary, upon the County's failure to observe or refusal to comply with the covenants contained in this Section, the Holders, and any adversely affected former Holders, shall be entitled to the rights and remedies provided to Holders under this Certificate.

Section 503. Events of Default and Remedies. The following shall be Events of Default under the Resolution and this Certificate and the term “Event of Default” whenever used in this Certificate shall mean any one or more of the following:

- (a) the County fails to make any payment of the principal of, or interest on, any 2024-25 TRANs when and as the same shall become due and payable;
- (b) the County fails to perform or observe any other of the covenants, agreements or conditions required to be performed or observed by the County pursuant to the Resolution, this Certificate or the 2024-25 TRANs and such default shall continue for a period of 60 days after written notice thereof to the County by the Holders of not less than 10% in principal amount of the 2024-25 TRANs Outstanding; or
- (c) the County shall file a petition for relief under the federal bankruptcy laws.

Whenever any Event of Default shall have happened and shall be continuing, the Holders, and any adversely affected former Holders, of the 2024-25 TRANs and their legal representatives, shall be entitled to take any and all actions available at law or in equity to enforce the performance of the covenants herein and in the Act. Nothing herein shall preclude an individual Holder from enforcing his or her rights to payment of principal of or interest on the 2024-25 TRANs.

ARTICLE VI

PAYING AGENT

Section 601. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Certificate or of any 2024-25 TRANs or as to the security afforded by the Resolution or this Certificate, and the Paying Agent shall incur no liability in respect thereof.

Section 602. Evidence on Which Paying Agent May Act.

1. In case at any time it shall be necessary or desirable for the Paying Agent to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as Paying Agent, and in any case in which this Certificate provides for permitting or taking any action, it may rely upon any notice, resolution, request, consent, order, waiver, statement, certificate, report, opinion, bond or other paper or document to be furnished to it under the provisions of this Certificate, and any such instrument shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, acting reasonably and in good faith, by reason of the supposed existence of such fact.

2. The Paying Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Certificate, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or

person, or to have been prepared and furnished pursuant to any of the provisions of this Certificate or at the sole cost and expense of the County with the prior written consent of the County, and when determined necessary in the reasonable discretion of the Paying Agent, as the case may be, upon the written opinion of any attorney (who may be an attorney for the County or an employee of the County) believed by the Paying Agent, to be qualified in relation to the subject matter.

Section 603. Compensation.

1. The County shall pay to the Paying Agent from time to time such compensation as may be agreed upon in writing by the County and the Paying Agent for all services rendered under this Certificate.

2. To the extent permitted by law and approved by the Treasurer, the County may indemnify the Paying Agent and hold it harmless, against any loss, liability or reasonable expense (including the costs and expenses of its counsel and of investigating and defending against any claim of liability) arising out of or in connection with its acting as Paying Agent under this Certificate; *provided, however*, that the Paying Agent shall not be indemnified for or held harmless against any such loss, liability or expense resulting from its negligence, willful misconduct or bad faith. The provision of this paragraph 2 shall remain in full force and effect notwithstanding the resignation or removal of the Paying Agent or the termination of this Certificate.

3. Nothing in this Certificate shall require or obligate the Paying Agent to advance, expend or risk its own funds or otherwise to incur any personal financial liability in the performance or exercise of any of its duties or rights hereunder and the Paying Agent shall be fully justified and protected in taking or refusing to take any action under this Certificate or the 2024-25 TRANs unless it shall first be indemnified against any and all liability and expense which may be incurred by it by reason of such taking or refusing to take any such action (other than any liability or expense resulting from its negligence, willful misconduct or bad faith). Notwithstanding the foregoing, the Paying Agent shall not require indemnification prior to the making, when due, of any payment required at the respective Maturity Dates of the 2024-25 TRANs.

Section 604. Ownership of the 2024-25 TRANs Permitted. Subject to Section 305, the Paying Agent may become the Holder of any 2024-25 TRANs.

Section 605. Resignation or Removal of Paying Agent and Appointment of Successor. The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Certificate by giving at least 60 days' prior written notice to the County. The Paying Agent may be removed at any time with or without cause by an instrument filed with the Paying Agent and signed by the County. A successor Paying Agent may be appointed by the County and shall be a commercial bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Certificate. For purposes of this Section, a commercial bank with trust

powers or a trust company shall be deemed to have capital and surplus aggregating at least \$100,000,000 if it is a wholly-owned subsidiary of a corporation having capital and surplus aggregating at least \$100,000,000 and such corporation provides a written guaranty, in form and substance satisfactory to the County, of the performance by the bank or trust company of its obligations as Paying Agent hereunder. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the County a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys held by it to its successor. In no event shall the resignation or removal of the Paying Agent become effective prior to the assumption of the resigning or removed Paying Agent's duties and obligations by a successor Paying Agent.

Section 606. References to Paying Agent. References in this Article VI to a Paying Agent shall be deemed to be references to any Paying Agent other than the Treasurer.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS AND CERTIFICATES

Section 701. Supplemental Resolutions and Certificates Effective Without Consent of Holders. A Supplemental Resolution of the County may be adopted, or a Supplemental Certificate may be executed, for any one or more of the following purposes, which, without the requirement of consent of Holders, shall be fully effective in accordance with its terms:

- (a) to add to the covenants and agreements of the County in the Resolution or this Certificate, as the case may be, other covenants and agreements to be observed by the County that are not contrary to or inconsistent with the Resolution or this Certificate as theretofore in effect;
- (b) to add to the limitations and restrictions in the Resolution or this Certificate as the case may be, other limitations and restrictions to be observed by the County that are not contrary to or inconsistent with the Resolution or this Certificate as theretofore in effect;
- (c) to confirm as further assurance, any pledge, lien, or security interest under, and the subjection to any security interest, lien, or pledge created or to be created by, the Resolution or this Certificate, of any property, or to establish any additional funds or accounts to be held under the Resolution or this Certificate;
- (d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution or this Certificate, as the case may be, as theretofore in effect;
- (e) to supplement or amend the Resolution or this Certificate, as the case may be, in any other respect as required to maintain a rating for the 2024-25 TRAns, or any portion thereof, from any Rating Agency; *provided*, that the County first obtains an

Opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Certificate does not adversely affect the interests of the Holders; and

(f) to supplement or amend the Resolution or this Certificate, as the case may be, in any other respect; *provided*, that the County first obtains an Opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Certificate does not adversely affect the interests of the Holders.

Section 702. Supplemental Certificate. Except as provided in Section 701, any amendment of or supplement to this Certificate and of the rights and obligations of the County and of the Holders of the 2024-25 TRANs under this Certificate, in any particular, may be made by a Supplemental Certificate and with the written consent of the Holders of at least a majority in principal amount of the 2024-25 TRANs Outstanding at the time such consent is given; provided, however, that if such supplement or amendment will, by its terms, not take effect so long as any 2024-25 TRANs remain Outstanding, the consent of the Holders shall not be required. No such supplement or amendment shall permit a change in the terms of maturity of the principal of any 2024-25 TRANs or of the then-applicable interest rate thereon or a reduction in the principal amount thereof, or shall change the dates or amounts set forth in Section 402, or shall reduce the percentage of Holders required to approve any such Supplemental Certificate, without the consent of all of the Holders of affected 2024-25 TRANs nor shall any such supplement or amendment change or modify any of the rights or obligations of any Paying Agent, if applicable, without its written consent thereto. The County shall provide the Rating Agencies notice of any Supplemental Certificate or Supplemental Resolution.

ARTICLE VIII

MISCELLANEOUS

Section 801. Moneys Held in Trust for One Year. Anything in this Certificate to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the 2024-25 TRANs that remain unclaimed for a period of one year after the date when such 2024-25 TRANs have become due and payable, if such moneys were so held at such date, or for one year after the date of deposit of such moneys if deposited after the date when such 2024-25 TRANs became due and payable, shall be repaid to the County, as its absolute property and free from trust, and the Holders shall thereafter look only to the County for the payment of such 2024-25 TRANs from lawfully available funds; provided, however, that before any such payment is made to the County, the County shall create (and shall thereafter maintain until payment of all of the 2024-25 TRANs) a record of the amount so repaid, and the County shall cause to be published at least twice, at any interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County.

IN WITNESS WHEREOF, I have set my hand onto this Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes on this [_____] day of July, 2024.

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

[Signature Page to Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes]

EXHIBIT I

FORM OF 2024-25 TRANS

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTE**

Interest Rate	Dated Date	Maturity Date	CUSIP Number
_____%	_____, 202__	_____, 202__	544657 ____

Registered Owner: Cede & Co.

Principal Amount:

The County of Los Angeles, a political subdivision of the State of California (herein called the “**County**”), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this note at the Principal Office of the Treasurer and Tax Collector of the County, as Paying Agent (the “**Paying Agent**”), or at the Principal Office of any successor Paying Agent, in lawful money of the United States of America, the Principal Amount specified above, together with interest thereon from the Dated Date specified above at the Interest Rate per annum specified above. Interest on this Note shall accrue from the Dated Date set forth above and shall be computed on the basis of a 360-day year comprised of 12 months of 30 days each payable at maturity.

This Note is one of a duly authorized issue of notes of the County designated as its “County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (herein called the “**Notes**”), authorized in an aggregate principal amount of \$[_____] under and in full compliance with the Constitution and statutes of the State of California, particularly Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code being Sections 53850 to 53858, inclusive, as amended (the “**Act**”) and under and pursuant to the resolution of the Board of Supervisors of the County, adopted [_____] , 2024, entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2024-25 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$[NTE AMOUNT]” (such resolution, as the same may be amended or supplemented from time to time, is herein called the “**Resolution**”), and is issued on the terms and conditions set forth in the Financing Certificate, dated [_____] , 2024, entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (such Certificate, as the same may be amended or supplemented from time to time, is herein called the “**Certificate**”). Capitalized terms used and not otherwise defined shall have the meanings given such terms in the Certificate. Copies of the Resolution and the Certificate are on file at the office of the Executive Officer-Clerk of the Board of Supervisors, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof, to the Certificate and any and all supplements thereto

and modifications and amendments thereof, and to the Act is made for a complete statement of such terms and conditions.

The Notes and the interest thereon are secured by a grant by the County of a pledge of, lien on, and security interested in certain taxes, income, revenue, cash receipts and other moneys of the County attributable solely to the County's Fiscal Year 2024-25 and other specified property, as provided in the Financing Certificate. In accordance with California law, the Notes are payable solely from taxes, income, revenue, cash receipts and other moneys of the County attributable to Fiscal Year 2024-25, and certain related property as described in the Financing Certificate, and to the extent not paid from the collateral securing the repayment thereof, shall be paid with the interest thereon from other moneys of the County lawfully available therefor.

This Note is transferable, as provided in the Certificate, only upon a register to be kept for that purpose at the office of the Note Registrar by the Registered Owner hereof in person or by such owner's duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the Registered Owner or such owner's duly authorized attorney, and thereupon a new fully registered note or notes of the same series, maturity and aggregate Principal Amount will be issued to the transferee in exchange therefor as provided in the Certificate upon payment of the charges therein prescribed. The County and the Note Registrar shall treat the person in whose name this Note is registered as the absolute owner hereof for all purposes whether or not this Note shall be overdue, and the County and the Note Registrar shall not be affected by any notice to the contrary.

The Notes may not be exchanged for other Notes except as provided in the Certificate.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution and the Certificate, or any supplemental resolution amending the Resolution and the Certificate, may be amended by the County; provided, however, that no such amendment shall permit a change in the terms of maturity, the principal of any Note or of the then prevailing interest thereon or a reduction in the principal amount thereof without the consent of the owners of such Notes or shall reduce the percentage of Notes the consent of the owners of which is required to effect any such amendment or change the dates or amounts set forth in Section 402 of the Certificate.

It is hereby certified and recited that all conditions, acts and things required by the Act, the Resolution and the Certificate to exist, to have happened and to have been performed precedent to and during the issuance of the Notes, do exist, have happened and have been performed, in due time, form and manner, as required by the Act, the Resolution and the Certificate, and that the Notes, together with all other indebtedness of the County, are within every debt and other limit prescribed by the laws of the State of California.

Unless this Note is presented by an authorized representative of The Depository Trust Company to the Note Registrar for registration of transfer or exchange or to the Paying Agent for payment, and any Note issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE

OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, THE COUNTY OF LOS ANGELES has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the Executive Officer-Clerk of the Board of Supervisors and its seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced, as of the Dated Date set forth above.

(SEAL)

COUNTY OF LOS ANGELES

By: _____
Chair

By: _____
Executive Officer-Clerk of
the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes delivered pursuant to the within-mentioned Resolution.

DATED: _____, 202__

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
as Paying Agent**

By: _____
Treasurer and Tax Collector

ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Note Register of the Paying Agent, with full power of substitution in the premises.

Dated: _____

Signature of Registered Owners: _____

Signature Guaranteed by: _____

Note: The signature on this Assignment must correspond with the name as written on the face of the within note in every particular, without alteration or enlargement or any change whatsoever and must be guaranteed by a commercial bank, trust company, or a member firm of the New York Stock Exchange.

\$[_____]
COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTES

CONTRACT OF PURCHASE

[_____] , 2024

Board of Supervisors
County of Los Angeles
Los Angeles, California

Honorable Members of the Board of Supervisors:

The undersigned, Morgan Stanley & Co. LLC (the “Representative”), on behalf of itself and the underwriters appointed by the County of Los Angeles (the “County”) and listed on Appendix I hereto (the Representative and such other underwriters being collectively referred to herein as the “Underwriters”), offers to enter into this Contract of Purchase (the “Contract of Purchase”) with the County which, upon the County’s written acceptance of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to the County’s written acceptance hereof on or before 11:59 p.m., Los Angeles time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the County at any time prior to the acceptance hereof by the County. Capitalized terms used in this Contract of Purchase and not otherwise defined herein shall have the meanings provided by the Preliminary Official Statement (defined below).

SECTION 1. Purchase and Sale of the Notes. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters agree to purchase from the County, and the County agrees to sell and deliver to the Underwriters, all, but not less than all, of the County’s \$[_____] in aggregate principal amount of 2024-25 Tax and Revenue Anticipation Notes (the “Notes”). The Notes are being issued pursuant to a resolution adopted by the Board of Supervisors of the County (the “Board of Supervisors”) on [_____] , 2024 and entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2024-25 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$1,000,000,000” (the “Resolution”) and subject to the terms and conditions set forth in the Financing Certificate of the Treasurer and Tax Collector of the County (the “Treasurer”) entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (the “Financing Certificate”).

The Notes shall be dated [_____] , 2024, mature on [_____] , 2025, and bear interest at [__]% per annum.

The purchase price for the Notes shall be \$[_____] (representing the principal amount of the Notes of \$[_____] , [plus/less a net original issue premium/discount] of \$[_____] , less the Underwriters' discount of \$[_____]).

The Preliminary Official Statement of the County, dated [_____] , 2024, including the cover page and Appendices thereto, relating to the Notes (together with any documents incorporated therein by reference and as disseminated in its printed physical form or in electronic form materially consistent with such physical form, the "Preliminary Official Statement"), as amended to conform to the terms of this Contract of Purchase and exclusive of such changes and amendments subsequent to the date hereof as may be mutually agreed to in accordance with Section 5(b)(iii) hereof is hereinafter called the "Official Statement."

In connection with the issuance of the Notes, the County is also executing a Disclosure Certificate dated [_____] , 2024 (the "Disclosure Certificate").

SECTION 2. The Notes and the Official Statement.

(a) The Notes shall be as described in the Financing Certificate and shall be issued and secured under and pursuant to the provisions of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "Act") and the Resolution.

(b) On or prior to the date of mailing or electronic distribution of the Preliminary Official Statement by the Underwriters, the County shall have delivered to the Representative a certificate pursuant to which the Treasurer or his authorized representative certifies on behalf of the County that such Preliminary Official Statement is deemed final by the County as of the date thereof, except for the omission of such information which is permitted to be excluded by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

(c) Unless otherwise notified in writing by the Representative, the "end of the underwriting period" for purposes of Rule 15c2-12 shall be the date of Closing (as hereinafter defined).

SECTION 3. Sale to Underwriters; Certain Agreements of the Underwriters.

(a) It shall be a condition to the County's obligations to sell and deliver the Notes to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Notes that the entire aggregate principal amount of the Notes shall be issued, sold and delivered by the County and purchased, accepted and paid for by the Underwriters at the Closing. Except as provided in Section 4, the Underwriters agree to make a bona fide public offering of all the Notes at prices not in excess of the initial offering prices or yields set forth on the cover page of the Official Statement, plus interest accrued thereon (if any) from the date of the Notes. Except as provided in Section 4, subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Notes.

(b) The Underwriters agree as follows:

(i) To file, on or before the date of Closing, a copy of the Official Statement, including any supplements thereto, with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system; and

(ii) To take any and all other actions necessary to comply with rules of the U.S. Securities and Exchange Commission (the “SEC”) and MSRB which are applicable to the Underwriters governing the offering, sale and delivery of the Notes to the ultimate purchasers.

SECTION 4. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Notes and shall execute and deliver to the County at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the County and Orrick, Herrington & Sutcliffe LLP, Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Notes.

(b) [Except as otherwise set forth in Appendix II attached hereto and with respect to Notes subject to Section 4(c) below, the] County will treat the first price at which 10% of the Notes (the “10% test”) is sold to the public as the issue price of the Notes. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the County the price at which the Underwriters have sold the Notes to the public. [If at that time the 10% test has not been satisfied for the Notes, the Representative agrees to promptly report to the County the price at which the Notes have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the entire principal amount of the Notes have been sold or (ii) the 10% test has been satisfied for the Notes, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the County or Bond Counsel.]

(c) [The Representative confirms that the Underwriters have offered the Notes to the public on or before the date of this Contract of Purchase at the offering price (the “initial offering price”), or at the corresponding yield, set forth in Appendix II attached hereto, except as otherwise set forth therein. Appendix II also sets forth, as of the date of this Contract of Purchase, whether the 10% test has not been satisfied and for which the County and the Representative, on behalf of the Underwriters, have agreed that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of the Notes as of the sale date as the issue price of the Notes (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to the Notes, the Underwriters will neither offer nor sell unsold Notes to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the County when the Underwriters have sold 10% of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

(d) The County acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the provisions for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the provisions for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the provisions for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the provisions for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule and the provisions for establishing issue price of the Notes, including, but not limited to, its agreement to comply with and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and any retail distribution agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(1) report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Representative that either the 10% test has been satisfied or all Notes have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of the Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed

in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied or all Notes of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Notes to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Contract of Purchase by all parties.

SECTION 5. Use of Documents; Certain Covenants and Agreements of the County.

(a) The County authorizes the use by the Underwriters of the Resolution, the Financing Certificate and the Official Statement, including any supplements or amendments thereto, and the information therein contained in connection with the public offering and sale of the Notes. The County ratifies and confirms the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Notes;

(b) The County covenants and agrees:

(i) To cause to be made available to the Underwriters such quantities of the Official Statement (in a “designated electronic format” (as defined in MSRB Rule G-32))

as the Underwriters may request for use in connection with the offering and sale of the Notes, without charge, within seven (7) business days of the date hereof and, in the event the date of Closing is less than seven (7) business days after the date hereof, upon request of the Representative, in sufficient time to accompany any confirmation requesting payment from any customers of any Underwriter and not later than three (3) business days prior to Closing; provided, however, that in the event that the date of Closing is less than seven (7) business days after the date hereof the failure of the County to comply with this clause (i) due to any circumstance outside of the control of the County shall not constitute cause for a failure of or refusal by the Underwriters to accept delivery of, or pay for, the Notes;

(ii) To apply the proceeds from the sale of the Notes as provided in the Resolution and the Financing Certificate, subject to all of the terms and provisions of the Resolution and the Financing Certificate, and not knowingly to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Notes, in that the County agrees to comply with the provisions of the Tax Certificate executed by the County at the time of delivery of the Notes;

(iii) If, after the date of this Contract of Purchase and until the earlier of (A) twenty-five (25) days after the “end of the underwriting period” (as defined in Rule 15c2-12) or (B) ninety (90) days after the Closing, any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in the opinion of the County or the Representative so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Official Statement is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with applicable law, to notify the Representative (and for the purposes of this clause (iii) to provide the Underwriters with such information as they may from time to time request), and to forthwith prepare and furnish, at its own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Official Statement as so amended and supplemented is delivered to a purchaser, not misleading or so that the Official Statement as so amended and supplemented will comply with all applicable laws;

(iv) To furnish such information and execute such instruments and take such action in cooperation with the Representative as the Representative may reasonably request (A) to (a) qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (b) determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Notes; provided, however, that the County will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state;

(v) To advise the Representative immediately of receipt by the County of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and

(vi) To furnish to the Representative, from time to time, any additional information as the Representative may reasonably request.

SECTION 6. Representations and Warranties of the County. The County represents and warrants to each of the Underwriters, as of the date hereof, as follows:

(a) The County is a political subdivision duly created and validly existing under the Constitution and the laws of the State of California (the “State”), and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into this Contract of Purchase, to execute the Financing Certificate and the Disclosure Certificate and to adopt the Resolution, (ii) to sell, issue and deliver the Notes to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Resolution, the Financing Certificate, the Disclosure Certificate and the Official Statement; and the County has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Resolution as they pertain to such transactions;

(b) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the County of the obligations on its part contained in, the Notes, this Contract of Purchase, the Resolution, the Financing Certificate and the Disclosure Certificate, and the consummation by it of all other transactions contemplated by the Official Statement, the Resolution, the Financing Certificate, the Disclosure Certificate and this Contract of Purchase; the Resolution, the Financing Certificate, the Disclosure Certificate and this Contract of Purchase, assuming due authorization, execution and delivery by the other parties thereto, constitute, or will constitute at Closing, legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights and the application of general principles of equity if equitable remedies are sought; the Notes, when issued, authenticated and delivered to the Underwriters in accordance with the Resolution, the Financing Certificate and this Contract of Purchase will constitute legal, valid and binding general obligations of the County entitled to the benefits of, and payable from sources specified in, the Resolution and the Financing Certificate and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights and the application of the general principles of equity if equitable remedies are sought; upon the issuance, authentication and delivery of the Notes, the Resolution will provide, for the benefit of the registered owners from time to time of the Notes, the legal, valid and binding pledge of and lien on the Pledged Revenues (as defined in the Financing Certificate) it purports to create, subject only to the provisions of the Resolution and the Financing Certificate permitting the application thereof on the terms and conditions set forth in the Resolution and the Financing Certificate;

(c) To the best knowledge of the County, the County is not in material breach of or default under any loan agreement, indenture, bond or note, or other instrument evidencing any

indebtedness or other material financial obligation of the County to which the County is a party, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the County under any such instrument; and the execution and delivery of the Notes, the Financing Certificate and this Contract of Purchase and the adoption of the Resolution and compliance with the provisions on the County's part contained therein, will not in any material respect conflict with or constitute a breach or default under any State constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the County is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County or under the terms of any such law, regulation or instrument, except as provided by the Notes, the Financing Certificate and the Resolution;

(d) All authorizations, approvals, licenses, permits, consents and orders of any State governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under, this Contract of Purchase, the Resolution, the Financing Certificate and the Notes have been duly obtained, except for such approvals, consents and orders as are stated in the Official Statement as yet to be obtained or as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Notes;

(e) The Notes conform to the description thereof contained in the Preliminary Official Statement and the Official Statement under the caption "THE NOTES," the Resolution and the Financing Certificate conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE" and the proceeds of the sale of the Notes will be applied generally as described in the Preliminary Official Statement and the Official Statement under the caption "THE NOTES – Purpose of Issue";

(f) To the best knowledge of the County, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending in which service of process has been completed, or threatened against the County, affecting the corporate existence of the County or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Notes or the pledge of and lien on the Pledged Revenues of the County pursuant to the Resolution or in any way contesting or affecting the validity or enforceability of the Notes, the Resolution, this Contract of Purchase and the Financing Certificate, or contesting the exclusion from gross income of interest on the Notes for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereof, or contesting the powers of the County or any authority for the issuance of the Notes, the adoption of the Resolution or the execution and delivery of this Contract of Purchase and the Financing Certificate, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Notes, the Resolution, the Financing Certificate or this Contract of Purchase;

(g) As of the date thereof and at all times from its date to the date hereof, the Preliminary Official Statement (excluding any information relating to The Depository Trust Company, New York, New York (“DTC”) and information under the caption “UNDERWRITING”) does not and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) At the time of the County’s acceptance hereof and (unless an event occurs of the nature described in clause (iii) of Section 5(b) above) at all times subsequent thereto during the period up to and including the earlier of (A) twenty-five (25) days subsequent to the “end of the underwriting period” or (B) ninety (90) days after the Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) If the Official Statement is supplemented or amended pursuant to clause (iii) of Section 5(b) above, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the earlier of (A) twenty-five (25) days subsequent to the “end of the underwriting period” or (B) ninety (90) days after the Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) The financial statements of, and other financial information regarding, the County in the Official Statement fairly present the financial position and results of the operations of the County as of the dates and for the periods therein set forth and (i) except as noted under the heading “Notes to the Basic Financial Statements” in Appendix B to the Official Statement, the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other financial information with respect to the County has been determined on a basis substantially consistent with that of the County’s audited financial statements included in the Official Statement;

(k) The County has not failed to comply in the last five years, in any material respect, with any continuing disclosure undertaking entered into pursuant to Rule 15c2-12; and

SECTION 7. Closing.

(a) At 8:00 a.m., Los Angeles time, on [____], 2024, or at such other time and date as shall have been mutually agreed upon by the County and the Representative, the County will, subject to the terms and conditions hereof, deliver the Notes to the Representative duly executed and authenticated, together with the other documents hereinafter mentioned, and the Representative will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Notes as set forth in Section 1 hereof by Federal Reserve wire of immediately available funds payable to the order of the County. Such delivery of and payment for the Notes is referred to herein as the “Closing.”

(b) Delivery of the Notes shall be made at, or, in accordance with the operating procedures thereof through, DTC. The Notes shall be delivered in fully registered form, without coupons, bearing CUSIP number(s) and registered in the name of Cede & Co. and shall be made available to the Representative at least one (1) business day before the Closing for purposes of inspection. Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Note nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriters to accept delivery of and pay for the Notes on the date of Closing in accordance with the terms of this Contract of Purchase.

SECTION 8. Closing Conditions. The Representative has entered into this Contract of Purchase on behalf of itself and the other Underwriters in reliance upon the representations, warranties and agreements of the County contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Notes shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Resolution and the Financing Certificate shall be in full force and effect and shall not have been amended, modified or supplemented; and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative in accordance with Section 5(b)(iii) hereof;

(c) At the time of the Closing, all official action of the County relating to this Contract of Purchase, the Resolution, the Financing Certificate and the Notes, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Representative shall have received, in appropriate form, evidence thereof;

(d) At the time of the Closing, there shall not have occurred any material change to the condition, financial or otherwise, or in the earnings or operations of the County, nor shall the Board of Supervisors or the Legislature of the State of California have taken official action that would prospectively result in a change in the condition, financial or otherwise, or in the earnings or operations of the County from that set forth in the Official Statement that shall have a material and adverse effect and that makes it, in the reasonable judgment of the Representative, impracticable to market the Notes on the terms and in the manner contemplated in the Official Statement; and

(e) At or prior to the Closing, the Representative shall have received copies of each of the following documents:

(i) The Official Statement, and each supplement or amendment, if any, thereto;

(ii) A certified copy of the Resolution and an original of the Financing Certificate, each having been duly adopted by the Board of Supervisors or executed by the County and as being in full force and effect, with such supplements or amendments as may have been agreed to by the Representative acting in good faith;

(iii) An approving opinion, dated the date of Closing, of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, addressed to the County, together with a reliance letter with respect thereto addressed to the Underwriters, substantially in the form attached to the Official Statement as Appendix C;

(iv) A supplemental opinion of Bond Counsel, dated the date of Closing, addressed to the County and the Representative, in substantially the form of Exhibit B hereto;

(v) An opinion, dated the date of Closing, of County Counsel, as counsel to the County and addressed to the Representative, in substantially the form of Exhibit C hereto;

(vi) An opinion, dated the date of Closing, of Hawkins, Delafield & Wood LLP, Disclosure Counsel, addressed to the County, together with a reliance letter with respect thereto addressed to the Underwriters, in substantially the form of Exhibit D hereto;

(vii) An opinion, dated the date of Closing, of Nixon Peabody LLP, counsel for the Underwriters, addressed to the Representative, in substantially the form of Exhibit E hereto;

(viii) Evidence satisfactory to the Underwriters that the Notes shall have been rated not less than “[]” by Moody’s Investors Service (“Moody’s”), “[]” by Standard & Poor’s, a Standard & Poor’s Ratings Service (“S&P”), and “[]” by Fitch Ratings (“Fitch”), and that none of such ratings has been revoked, suspended or downgraded;

(ix) A Tax Certificate of the County, in form satisfactory to Bond Counsel, signed by an authorized officer or designee of the County;

(x) A certificate of the County in substantially the form of Exhibit A hereto;

(xi) Evidence that the federal tax information return Form 8038-G has been prepared;

(xii) Evidence of required filings with the California Debt and Investment Advisory Commission;

(xiii) Executed copies of the Disclosure Certificate;

(xiv) A preliminary Blue Sky Survey and final Blue Sky Memorandum with respect to the Notes; and

(xv) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel, the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the County.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract of Purchase shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Representative.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes contained in this Contract of Purchase, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriters set forth in Section 10 hereof shall continue in full force and effect.

SECTION 9. Termination. The Representative shall have the right to terminate in its reasonable judgment the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Notes by notifying the County of its election to do so if, after the execution hereof and prior to the Closing, any one of the following shall occur:

(a) legislation shall be enacted by the Congress of the United States or favorably reported out for passage to either House of Congress by any committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service with respect to the federal taxation of interest received on or evidenced by obligations of the general character of the Notes, which, in the opinion of Bond Counsel has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest is intended to be includable in such gross income as of the date hereof;

(b) any action shall have been taken by the SEC or by a court that would require registration of any security under the Securities Act of 1933, as amended, or qualification of the Financing Certificate under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Notes, or any action shall have been taken by any court or by any government authority suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(c) (i) the Constitution of the State shall be amended or an amendment shall qualify for the ballot, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to

matters of State law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State by an official, agency or department thereof, affecting the tax status of the County, its property or income, its notes or bonds (including the Notes) or the interest thereon, which in the reasonable judgment of the Representative materially and adversely affect the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale of the Notes;

(d) (i) trading of any securities representing direct obligations of the County shall have been suspended on any exchange or in any over-the-counter market, or (ii) a general banking moratorium by Federal, New York or California authorities or a general suspension of trading on any national securities exchange shall have been declared or a material disruption in commercial banking or securities settlement or clearances services affecting the Notes shall have occurred, or (iii) a national emergency or war or other crisis shall have been declared by the United States or there shall have occurred any outbreak or escalation of major military hostilities by the United States or the occurrence or escalation of any calamity relating to the effective operation of the government or the financial community in the United States which, in the case of any of the events specified in clauses (i) through (iii), either singly or together with any other such event, in the reasonable judgment of the Representative, materially and adversely affects the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale of the Notes;

(e) there shall have occurred any downgrading, or any notice shall have been given of any downgrading, of the rating accorded the Notes by any of Moody's, S&P or Fitch;

(f) the New York Stock Exchange or other national securities exchange, or any governmental authority shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in the Notes; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, which, in the case any of the events specified in clauses (i) or (ii), either singly or together with any other such event, makes it, in the reasonable judgment of the Representative, impracticable to market the Notes on the terms and in the manner contemplated in the Official Statement, including any supplements or amendments thereto;

(g) the purchase of and payment for the Notes by the Underwriters, or the resale of the Notes by the Underwriters, on the terms and conditions herein provided shall otherwise be prohibited by any applicable law, governmental authority, board, agency or commission; or

(h) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters or pertaining to DTC) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the County refuses a reasonable request to supplement the Official Statement to supply such statement or information or the effect of the amendment to the Official Statement is to materially and adversely affect the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale of the Notes.

SECTION 10. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the County's obligations hereunder, including, but not limited to (i) the cost of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement; (ii) the cost of preparation and printing of the Notes; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of any other experts, consultants or advisers retained by the County; and (v) the fees, if any, for ratings.

(b) The Underwriters shall pay (i) the fees and disbursements of counsel retained by the Representative, including such costs related to the preparation and printing of this Contract of Purchase and the reasonable cost of preparation and printing or duplication of any Blue Sky Survey relating to the Notes; (ii) costs related to on-line securities platforms, CUSIP subscription and DTC fees; (iii) out-of-pocket and miscellaneous costs of the Representative, (iv) all advertising expenses in connection with the public offering of the Notes; (v) all expenses incurred in qualifying the Notes for sale under state securities laws; and (vi) all other expenses incurred by them in connection with the public offering of the Notes. Certain expenses of the Underwriters may be included in the expense component of the Underwriters' discount.

(c) Even if this Contract of Purchase shall be terminated by the Underwriters because of any failure or refusal on the part of the County to comply with the terms or to fulfill any of the conditions of this Contract of Purchase, or if for any reason the County shall be unable to perform its obligations under this Contract of Purchase, the County will not reimburse the Underwriters for expenses incurred in connection with the authorization and marketing of the Notes.

SECTION 11. Notices. Any notice or other communication to be given to the County under this Contract of Purchase may be given by delivering the same in writing to County of Los Angeles, Office of the Treasurer and Tax Collector, 500 West Temple Street, Room 432, Los Angeles, California 90012, Attention: Treasurer and Tax Collector, and any notice or other communication to be given to the Underwriters under this Contract of Purchase may be given by delivering the same in writing to Morgan Stanley & Co. LLC., 555 California Street, Suite 2200, San Francisco, CA 94104, Attention: Esther Berg, Executive Director.

SECTION 12. Entire Agreement; Parties in Interest. This Contract of Purchase shall constitute the entire agreement between the County and the Underwriters and is made solely for the benefit of the County and the Underwriters (including successors or assigns of any Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. Any remedy which the Underwriters may have at law or in equity by reason of the breach of any representation or warranty of the County made herein shall not expire upon, nor be limited by, (i) delivery of and payment for the Notes pursuant to this Contract of Purchase, (ii) any investigations made by or on behalf of any of the Underwriters or (iii) termination of this Contract of Purchase; provided, however, that such representations and warranties are made only as of the date of this Contract of Purchase and as of the date of the Closing and are not continuing.

SECTION 13. Effectiveness. This Contract of Purchase shall become effective upon the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

SECTION 14. Choice of Law. This Contract of Purchase shall be governed by, and construed in accordance with, the law of the State of California applicable to contracts made and performed in such State.

SECTION 15. No Fiduciary Duty. The County acknowledges and agrees that (a) the purchase and sale of the Notes pursuant to this Contract of Purchase is an arm's-length commercial transaction between the County and the Underwriters; (b) the Underwriters are acting solely as underwriters and principals in connection with the matters contemplated by and all communications under this Contract of Purchase, and are not acting as the agents, fiduciaries, financial advisors or Municipal Advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) of the County and its advisors in connection with the matters contemplated by this Contract of Purchase irrespective of whether the Underwriters or their affiliates have provided other product and services or are currently providing other products or services to the County; and (c) the Underwriters have financial and other interests that differ from those of the County. In connection with the purchase and sale of the Notes, the County has consulted its own advisors to the extent it deems appropriate.

SECTION 16. Representative Capacity. Any authority, right, discretion or other power conferred upon the Underwriters or the Representative under any provision of this Contract of Purchase may be exercised by the Representative on behalf of the Underwriters, and the County shall be entitled to rely upon any request, notice or statement by the Representative as if the same shall have been given or made by the Underwriters. The Representative represents that it has been duly authorized by the Underwriters to execute this Contract of Purchase and to act hereunder on their behalf and to take such action as it may deem advisable in respect of all matters pertaining to this Contract of Purchase.

SECTION 17. Severability. If any provision of this Contract of Purchase shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract of Purchase invalid, inoperative or unenforceable to any extent whatever.

SECTION 18. Business Day. For purposes of this Contract of Purchase, "business day" means a day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in Los Angeles, California or New York, New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

SECTION 19. Section Headings. Section headings have been inserted in this Contract of Purchase as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract of Purchase and will not be used in the interpretation of any provisions of this Contract of Purchase.

SECTION 20. Counterparts. This Contract of Purchase may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. [The parties agree that signatures scanned into a portable document format (pdf file) and sent by e-mail shall be deemed original signatures.]

Very truly yours,

MORGAN STANLEY & CO. LLC,
on behalf of itself and the other Underwriters
set forth on Appendix I hereof

By: _____
Authorized Signatory

AGREED AND ACCEPTED:

As of the date first set forth above.

COUNTY OF LOS ANGELES

By: _____
Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy County Counsel

[Signature page to Contract of Purchase]

APPENDIX I

UNDERWRITERS

Morgan Stanley & Co. LLC
RBC Capital Markets

[Additional Underwriters to com]

APPENDIX II

ISSUE PRICE

Maturity Date	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied	Subject to hold-the-offering-price rule
[], 2025	[\$]	[]%	[]%	[]		

EXHIBIT A

FORM OF CERTIFICATE OF THE COUNTY

I, Elizabeth Buenrostro Ginsberg, Treasurer and Tax Collector of the County of Los Angeles, California (the “County”), do hereby certify as follows:

(a) I am a duly qualified and acting representative of the County and as such am familiar with the facts herein certified and am authorized and qualified to certify the same;

(b) I am acting on behalf of the County solely in my official capacity, and not in any personal capacity whatsoever;

(c) All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Contract of Purchase relating to the Notes, dated [____], 2024 (the “Contract of Purchase”), by and between the County and Morgan Stanley & Co. LLC, as Representative of the Underwriters named therein;

(d) To the best of my knowledge, the County’s Official Statement dated [____], 2024 (together with all appendices thereto, any documents incorporated therein by reference, and as disseminated in its printed physical form or in electronic form materially consistent with such physical form, but excluding any information relating to The Depository Trust Company, New York, New York and information under the caption “UNDERWRITING,” known herein as the “Official Statement”), delivered pursuant to the Contract of Purchase, as of its date and as of the date hereof does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) The Notes, together with interest thereon, will be payable from the uncollected taxes, income, revenue, cash receipts and other moneys to be received by or accrue to the County during the Fiscal Year 2024-25 and which are lawfully available for the payment of the Notes. Pursuant to the Resolution adopted by the Board of Supervisors of the County on [____], 2024 (the “Resolution”), authorizing the issuance and sale of the Notes, the County has pledged as security for the Notes such taxes, income, revenue, cash receipts and other moneys totaling the aggregate principal amount of the Notes, together with an amount sufficient to pay the interest thereon, subject only to the provisions of the Resolution and the “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (the “Financing Certificate”). The amount of taxes, income, revenue, cash receipts and other moneys so pledged to secure the payment of the Notes is specified in the Resolution. Pursuant to the Act, the Resolution creates a valid pledge of and lien on the taxes, income, revenue, cash receipts and other moneys specified therein to pay the Notes and the interest thereon. The Notes are by statute general obligations of the County and, to the extent not paid from the Pledged Revenues (as defined in the Financing Certificate), shall be paid from any other moneys of the County attributable to Fiscal Year 2024-25 and lawfully available therefor;

(f) The County has complied in all respects with the Act and has complied with and satisfied all the agreements and conditions on its part to be complied with or satisfied at or prior to the date of Closing pursuant to the Contract of Purchase, the Financing Certificate and the Resolution;

(g) The representations and warranties of the County contained in the Contract of Purchase are true, complete and correct on the date hereof as if made on the date hereof; and

(h) To the best of my knowledge, since the date of the Official Statement, there has been no material adverse change in the condition, financial or otherwise, of the County.

IN WITNESS WHEREOF, I have hereunto set my hand this [] day of [], 2024.

COUNTY OF LOS ANGELES

By: _____
Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[To Come]

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE COUNTY

[Closing Date]

Morgan Stanley & Co. LLC,
as Representative of the Underwriters
Los Angeles, California

Re: \$[_____] County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes

Ladies and Gentlemen:

This opinion is rendered by us as counsel to the County of Los Angeles (the “County”) in accordance with the requirements of Section 8(e)(v) of the Contract of Purchase dated [____], 2024 (the “Contract of Purchase”), by and between the County and Morgan Stanley & Co. LLC, on behalf of itself and as representative of the underwriters set forth in the Contract of Purchase (together, the “Underwriters”) relating to the Notes, with respect to \$[_____] aggregate principal amount of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes (the “Notes”).

The Notes are issued pursuant to a resolution of the Board of Supervisors of the County adopted on [____], 2024 entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2024-25 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$[_____]” (the “Resolution”) and the document entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (as referred to in the Resolution, the “Financing Certificate”).

In rendering this opinion, we have examined the Resolution, the Financing Certificate, the Contract of Purchase and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with regard to the laws of the State of California (the “State”), we are of the opinion that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State and has taken all action required to be taken by it to authorize the issuance and delivery of the Notes. The County has full legal right, power and authority to conduct its business, to execute and deliver the Contract of Purchase and the Financing Certificate, to adopt the Resolution, to issue and deliver the Notes to the Underwriters (as named and defined in the Contract of Purchase), and to perform all of its obligations under, and to carry out and effectuate the transactions contemplated by, the Resolution, the Financing Certificate, the Notes and the Contract of Purchase. No authorization, consent, approval, order, filing, registration, qualification, election or referendum, of or by any State person, organization, court or governmental agency or public body whatsoever, which has not been obtained or made, is required for such issuance, execution, delivery or performance or the consummation of the other

transactions effected or contemplated in or by the Contract of Purchase or the Financing Certificate by the County, except for such actions may be necessary to be taken to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of any state or jurisdiction of the United States, as to which no opinion is expressed.

2. The issuance of the Notes and the execution, delivery and performance of the Contract of Purchase, the Financing Certificate, the Resolution and the Notes, and the delivery of the Official Statement of the County dated [____], 2024 relating to the Notes, by the County have been duly authorized, and the issuance of the Notes, the execution, delivery and performance of the Contract of Purchase, the Financing Certificate, the Resolution and the Notes, and compliance with the provisions thereof (a) do not in any material respect conflict with or constitute on the part of the County a violation of or default under the Constitution of the State or any existing State law, charter, ordinance, regulation, decree, order or resolution and do not in any material respect conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject, and (b) do not result in the creation or imposition of any lien or encumbrance, other than as created by the Resolution and the Financing Certificate.

3. The County has duly authorized the consummation by it of all transactions contemplated by the Contract of Purchase and the Financing Certificate.

4. The Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect.

5. Each of the Contract of Purchase and the Financing Certificate was duly authorized, executed and delivered by the County and the Contract of Purchase (assuming due authorization, execution and delivery by the Representative), the Financing Certificate, the Resolution and the Notes constitute legal, valid and binding obligations of the County, enforceable against the County in accordance with their respective terms.

6. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation is pending in which service of process has been completed or threatened against the County: (a) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or assets of the County pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Notes, the Contract of Purchase, the Financing Certificate or the Resolution, or contesting the powers of the County or its authority with respect to the Notes, the Resolution, the Financing Certificate or the Contract of Purchase; or (b) in which a final adverse decision could (i) materially adversely affect the consummation of the transactions contemplated by the Contract of Purchase, the Financing Certificate or the Resolution, or (ii) declare the Contract of Purchase or the Financing Certificate to be invalid or unenforceable in whole or material part.

7. To the best of our knowledge after due inquiry, the County is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, which breach or default would

materially adversely affect the County's ability to enter into or perform its obligations under the Contract of Purchase, the Financing Certificate or the Resolution, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the County's ability to enter into or perform its obligations under the Contract of Purchase, the Financing Certificate or the Resolution.

With respect to the opinions we have expressed, the enforceability of the rights and obligations under the Contract of Purchase, the Resolution, the Financing Certificate and the Notes may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, by the application of equitable principles, if equitable remedies are sought, and by limitations on legal remedies imposed in actions against counties in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the Contract of Purchase, the Resolution, the Financing Certificate or the Notes.

Very truly yours,

By: _____
DAWYN R. HARRISON
County Counsel

EXHIBIT D

FORM OF OPINION OF DISCLOSURE COUNSEL

[Closing Date]

County of Los Angeles
Los Angeles, California

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the County of Los Angeles, California (the “County”) in connection with the Preliminary Official Statement dated [____], 2024, (the “Preliminary Official Statement”) and its Official Statement dated [____], 2024 (the “Official Statement”), each relating to its 2024-25 Tax and Revenue Anticipation Notes (the “Notes”). The Notes are authorized by and are being issued in accordance with Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”), and a resolution adopted by the Board of Supervisors of the County (the “Board of Supervisors”) on [____], 2024 (the “Note Resolution”). Capitalized terms used in this letter and not otherwise defined herein shall have the meanings provided by the Official Statement.

The Preliminary Official Statement and the Official Statement are the County’s documents and as such the County is responsible for their content. The statements made and the information contained in the Preliminary Official Statement and the Official Statement were reviewed for their accuracy, completeness, and materiality by representatives of the County. The purpose of our engagement was not to independently establish, confirm, or verify the factual matters set forth in the Preliminary Official Statement and the Official Statement and we have not done so. Moreover, many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve wholly or partially matters of a non-legal character. We do not, therefore, take any responsibility for the factual matters set forth in the Preliminary Official Statement and the Official Statement and we undertake herein only to express certain limited negative assurances regarding the same.

The purpose of our engagement by you was to provide certain limited negative assurances to Morgan Stanley & Co. LLC, as representative of itself, RBC Capital Markets, [____], as underwriters for the herein described Notes (collectively, the “Underwriters”). In separately requesting and accepting this letter, the County acknowledges that (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that the County as the issuer of the Notes may be responsible to undertake in preparing the Preliminary Official Statement and the Official Statement, (ii) those activities performed by us relied substantially on representations, warranties, certifications and opinions made by representatives of the County and others, and are otherwise subject to the matters set forth in this letter, and (iii) while such statements of negative assurance are customarily given to underwriters of municipal securities to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the County under those laws may differ from those of

Underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as it would to the Underwriters.

In giving the limited assurances hereinafter expressed, we are not expressing any opinion or view on, but have ourselves assumed and relied upon, the validity, accuracy and sufficiency of the records, documents, certificates and opinions executed and delivered in connection with the issuance of the Notes. Without limiting the foregoing statement, we have relied, without independently opining upon the legal conclusions expressed and without independently verifying the factual matters represented, on the legal opinions that we have reviewed. Also, we have relied upon a report prepared by a third-party provider regarding the County's compliance with its continuing disclosure undertakings.

Also, this letter does not address (i) CUSIP numbers; (ii) any financial statements contained or incorporated by reference in the Preliminary Official Statement or the Official Statement; (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement or the Official Statement; (iv) the section entitled "TAX MATTERS"; and (v) information relating to the book-entry-only system, including information in Appendix D – "BOOK-ENTRY ONLY SYSTEM."

In our capacity as Disclosure Counsel, we participated in meetings and conference calls with representatives of the County, the Underwriters, Nixon Peabody LLP, counsel to the Underwriters, Omnicap Group LLC, as Municipal Advisor, and other parties, during which the contents of the Preliminary Official Statement and the Official Statement were discussed and reviewed. Based upon such participation, and information disclosed to us in the course of our representation of the County as Disclosure Counsel, considered in light of our understanding of the applicable law and the experience we have gained through our practice of law, and subject to all of the foregoing in this letter including the qualifications respecting the scope and nature of our engagement, we advise you, as a matter of fact but not opinion, that, during the course of our engagement as Disclosure Counsel with respect to the Preliminary Official Statement and the Official Statement, no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter that caused them to believe that the Preliminary Official Statement as of [____], 2024 and as of [____], 2024 or the Official Statement as of its date and as of the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We assume no obligation to update, revise or supplement this letter to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or for any other reason.

We are not expressing any opinion with respect to the authorization, execution, delivery or validity of the Notes, or the exclusion from gross income for federal income tax purposes of interest on the Notes.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity, except as may be expressly authorized by us in writing. This letter is not to

be used, circulated, quoted or otherwise referred to in connection with the offering of the Notes, except that reference may be made in any list of closing documents pertaining to the issuance of the Notes.

Very truly yours,

[Closing Date]

Morgan Stanley & Co. LLC,
as Representative of the Underwriters
Los Angeles, California

Ladies and Gentlemen:

We deliver to you herewith a copy of our opinion as Disclosure Counsel to the County of Los Angeles (the “County”), dated the date hereof relating to the Preliminary Official Statement dated [____], 2024, and the Official Statement dated [____], 2024, each relating to the County’s 2024-25 Tax and Revenue Anticipation Notes. You are entitled to rely on such opinion as if the same were addressed to you.

Very truly yours,

EXHIBIT E

FORM OF OPINION OF COUNSEL TO THE UNDERWRITERS

[To Come]

EXHIBIT F

ISSUE PRICE CERTIFICATE OF THE UNDERWRITERS

\$[_____]
COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTE

ISSUE PRICE CERTIFICATE

The undersigned, Morgan Stanley & Co. LLC (the “Representative”), on behalf of itself and RBC Capital Markets, [_____], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned tax and revenue anticipation note (the “Note”).

1. [10% Test Satisfied][Sale of the Note . As of the date of this certificate, the first price at which at least 10% of the Note was sold to the Public is the price listed in Schedule A.]

2. [10% Test Not Satisfied][Initial Offering Price of the Note.

(a) The Underwriters offered the Note to the Public for purchase at the initial offering price listed in Schedule A (the “Initial Offering Price”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Note is attached to this Certificate as Schedule B.

(b) As set forth in the Contract of Purchase, the Underwriters have agreed in writing that, (i) for the Note, they would neither offer nor sell the Note to any person at a price that is higher than the Initial Offering Price for the Note during the Holding Period for the Note (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold the Note at a price that is higher than the Initial Offering Price for the Note during the Holding Period.]

3. Defined Terms.

(a) [*Holding Period* means, with respect to the Note, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([_____, 2024]), or (ii) the date on which the Underwriters have sold at least 10% of the Note to the Public at a price that is no higher than the Initial Offering Price for the Note.]

(b) *Issuer* means the County of Los Angeles.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in

the initial sale of the Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Note to the Public).

(e) *[Sale Date* means the first day on which there is a binding contract in writing for the sale of the Note. The Sale Date of the Note is [____], 2024.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Note, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Note is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Note. **[If HTOP is used, the other Underwriters will need to rep as to HTOP separately.]**

MORGAN STANLEY & CO. LLC, as Representative

By: _____

Name: _____

Dated: [Closing Date], 2024

SCHEDULE A
SALE PRICE OF THE NOTE

(Attached)

**[SCHEDULE B
PRICING WIRE**

(Attached)

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HDW Draft – 5/8/24

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE – BOOK-ENTRY ONLY

Ratings:
Moody’s: “___”
S&P: “___”
Fitch: “___”
(See “RATINGS” herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest with respect to the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest on the Notes and excluded from gross income may depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See “TAX MATTERS” herein.



\$(Par Amount)*
COUNTY OF LOS ANGELES
2024-25 Tax and Revenue Anticipation Notes
_____% Priced to Yield ____%
CUSIP† No. 544657 ____

Dated: July 1, 2024

Due: [June 30, 2025]

The County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes (the “Notes”) will be issued in fully registered form. The Notes, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interests in the Notes purchased. The Notes will bear interest from their dated date at the interest rate per annum specified above. Principal of and interest on the Notes are payable on the maturity date thereof directly to DTC by the Paying Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Notes. See APPENDIX D – “BOOK-ENTRY ONLY SYSTEM.”

The Notes are being issued to provide moneys to help meet Fiscal Year 2024-25 County General Fund expenditures, including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County of Los Angeles (the “County”). The Notes are being issued pursuant to a resolution adopted by the Board of Supervisors of the County on [May 21, 2024] (the “Resolution”) and a Financing Certificate entitled, “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (the “Financing Certificate”) to be delivered on the date of issuance of the Notes pursuant to the Resolution. The Notes and the interest thereon are a first lien and charge against, and are payable from the first Unrestricted Revenues to be received by the County, in each period specified in the Financing Certificate, in an amount equal to the amount, or in the proportion of the total amount due, specified in the Financing Certificate (the “Pledged Revenues”). For purposes of the Notes, the term “Unrestricted Revenues” is defined in the Resolution to mean the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2024-25 which will be received by or will accrue to the County during such fiscal year for the General Fund of the County and which are lawfully available for the payment of current expenses and other obligations of the County. See “THE NOTES – Security for the Notes” herein. The County is not authorized, however, to levy or collect any tax for the repayment of the Notes.

The Notes are not subject to redemption prior to maturity.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Notes will be offered when, as and if issued and received by the Underwriters (herein defined), subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the County by Hawkins Delafield & Wood LLP, Los Angeles, California, Disclosure Counsel, and County Counsel, and for the

* Preliminary, subject to change.

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Underwriters by their counsel, Nixon Peabody LLP, Los Angeles, California. It is expected that the Notes will be available for delivery through the facilities of DTC on or about July 1, 2024.

Morgan Stanley

[To come]

RBC Capital Markets

Dated: _____, 2024





COUNTY OF LOS ANGELES

2024-25 TAX AND REVENUE ANTICIPATION NOTES

BOARD OF SUPERVISORS

Lindsey P. Horvath
Third District, Chair

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Jeff Levinson
*Interim Executive Officer-Clerk
Board of Supervisors*

COUNTY OFFICIALS

Fesia A. Davenport
Chief Executive Officer

Dawyn R. Harrison
County Counsel

Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

Oscar Valdez
Auditor-Controller

No dealer, broker, salesperson or other person has been authorized by the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes, by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Notes. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. All estimates, projections, forecasts or matters of opinion are “forward looking statements,” which must be read with an abundance of caution and which may not be realized or may not occur in the future.

The information set forth herein has been furnished by the County and includes information obtained from other sources, all of which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNDERWRITERS MAY OFFER AND SELL THE NOTES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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OFFICIAL STATEMENT

[\$Par Amount]*
COUNTY OF LOS ANGELES
2024-25 Tax and Revenue Anticipation Notes

INTRODUCTION

General

The purpose of this Official Statement, which includes the front cover and the attached appendices, is to provide certain information concerning the sale and delivery by the County of Los Angeles, California (the “County”) of \$[Par Amount]* in aggregate principal amount of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes (the “Notes”). The Notes will bear interest at the rate per annum and mature on the date set forth on the cover page of this Official Statement. Issuance of the Notes will provide moneys to help meet Fiscal Year 2024-25 County General Fund expenditures attributable to the General Fund of the County (the “General Fund”), including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County.

The Notes are authorized by and are being issued in accordance with Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”), and a resolution adopted by the Board of Supervisors of the County (the “Board of Supervisors”) on [May 21, 2024] and entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2024-25 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$[Max Par Amount]” (the “Resolution”). The Notes will be issued subject to the terms and conditions of a Financing Certificate of the Treasurer and Tax Collector of the County (the “Treasurer”) entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes” (the “Financing Certificate”) to be delivered on the date of issuance of the Notes pursuant to the Resolution. The Notes and the interest thereon are a first lien and charge against and are payable from the first Unrestricted Revenues to be received by the County, in each period set forth under the caption “THE NOTES – Security for the Notes,” in an amount equal to the amount, or in the proportion of the total amount due, specified in the Financing Certificate (the “Pledged Revenues”). For purposes of the Notes, the term “Unrestricted Revenues” is defined in the Resolution to mean the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2024-25 which will be received by or will accrue to the County during such fiscal year for the General Fund of the County and which are lawfully available for the payment of current expenses and other obligations of the County. See “THE NOTES – Security for the Notes.”

The County

The County is located in the southern coastal portion of the State of California (the “State”) and covers 4,083 square miles. The County was established under an act of the State Legislature on February 18, 1850. It is the most populous county in the nation and, in terms of population, is larger than 40 states. The economy of the County is diversified and includes manufacturing, technology, world trade, financial services, motion picture and television production, agriculture and tourism. For certain financial, economic and demographic information concerning the County, see APPENDIX A – “COUNTY OF LOS ANGELES

* Preliminary, subject to change.

INFORMATION STATEMENT” and APPENDIX B – “COUNTY OF LOS ANGELES FINANCIAL STATEMENTS.”

COUNTY OF LOS ANGELES CASH MANAGEMENT PROGRAM

The County implemented a cash management program in 1977 to finance General Fund cash flow shortages occurring periodically during its fiscal year (July 1 through June 30). In each year since the program’s inception, the County has sold either tax anticipation notes or tax and revenue anticipation notes (including commercial paper notes) in annual aggregate amounts up to \$1,850,000,000. The Resolution authorizes the County to issue and sell up to \$[Max Par Amount] aggregate principal amount of its Notes.

In addition to the Notes and other obligations which may be issued pursuant to the Act, certain funds held in trust by the County until apportioned to the appropriate agency are available to the County for intrafund borrowings. In addition, while it does not expect to do so, the County may undertake interfund borrowing to fund shortages in the General Fund. See “THE NOTES – Security for the Notes,” “– Interfund Borrowing, Intrafund Borrowing and Cash Flow” and APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Financial Summary – Cash Management Program” attached hereto.

THE NOTES

General

The Notes will be issued in the aggregate principal amount of \$[Par Amount].* The Notes will be issued in book-entry only form and, when delivered, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Notes. Purchasers of the Notes will not receive certificates representing their ownership interests in the Notes purchased. See APPENDIX D – “BOOK-ENTRY ONLY SYSTEM.” Beneficial ownership interests in the Notes may be transferred only in accordance with the rules and procedures of DTC.

The Notes will be dated, mature on the date and bear interest at the rate per annum as set forth on the cover page of this Official Statement. The Notes are not subject to redemption prior to their maturity. The Notes will be issued in denominations of \$5,000 and any integral multiple thereof. Interest on the Notes will be payable at their stated maturity date and will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal and interest will be payable in immediately available funds upon presentation and surrender of the Notes at the office of the Treasurer, who is serving as the Paying Agent with respect to the Notes.

Authority for Issuance

The Notes are being issued under the authority of the Act and pursuant to the Resolution and are subject to the terms and conditions of the Financing Certificate.

Purpose of Issue

Issuance of the Notes will provide moneys to help meet Fiscal Year 2024-25 General Fund expenditures, including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County. The County expects to invest proceeds of the Notes in the Pooled Surplus Investments Fund of the County Treasury Pool (the “County Treasury Pool”) until expended. See

* Preliminary, subject to change.

Security for the Notes

The Notes will be issued under and pursuant to the Resolution and the Financing Certificate and, subject to the provisions of the Resolution and the Financing Certificate permitting the application thereof for the purposes and conditions set forth therein, will be secured by Pledged Revenues.

Pursuant to the Resolution and the Financing Certificate, as security for the payment of the Notes and the interest thereon, the County pledges and grants a lien on and a security interest in the first Unrestricted Revenues to be received by the County, in each period specified below, in an amount equal to the amount specified below:

- (a) the first Unrestricted Revenues to be received by the County on and after December 20, 2024 in an amount equal to forty-five percent (45%) of the principal amount of the Notes;
- (b) the first Unrestricted Revenues to be received by the County on and after January 1, 2025 in an amount equal to forty-five percent (45%) of the principal amount of the Notes; and
- (c) the first Unrestricted Revenues to be received by the County on and after April 1, 2025 in an amount equal to ten percent (10%) of the principal amount of the Notes, plus an amount equal to the interest that will become due on the Notes through maturity.

[To be updated to confirm to final determinations.]

As provided in Section 53856 of the Act, the Notes and the interest thereon, shall be a first lien and charge against, and shall be payable from the first moneys received by the County from, the Pledged Revenues. See “THE NOTES – Available Sources of Payment.” The County covenants pursuant to the Resolution and the Financing Certificate to deposit or cause to be deposited in the repayment fund for the Notes (the “Notes Repayment Fund”), in trust for the registered owners of the Notes, the Pledged Revenues to be so deposited, and the Auditor-Controller is directed in the Resolution and the Financing Certificate to deposit the Pledged Revenues in the Notes Repayment Fund. To the extent that any amounts received pursuant to clauses (a) through (c) above are less than the total amount designated for such deposit, then the amount of any deficiency in the Notes Repayment Fund shall be satisfied and made up from any other moneys of the County lawfully available therefor, and the Auditor-Controller is directed in the Resolution and the Financing Certificate to deposit additional amounts from any such other moneys of the County into the Notes Repayment Fund. If for any reason amounts in the Notes Repayment Fund are insufficient to pay the Notes in full, such amounts shall be applied to the payment of principal of and interest payable upon the Notes in order of the due dates thereof and pro-rata for amounts due on a date for which there are insufficient funds to pay all amounts due on such date. Pursuant to the Resolution and the Financing Certificate, as security for the payment of the Notes and the interest thereon, the County pledges and grants a lien on and a security interest in the amounts on deposit in the Notes Repayment Fund and said amounts shall not be used for any other purpose until the Notes and the interest thereon have been paid in full or such payment has been duly provided for; provided, however, that earnings on amounts in the Notes Repayment Fund shall be deposited as and when received into the General Fund.

The Pledged Revenues may be invested in Permitted Investments (herein defined) and such Permitted Investments shall be subject to the pledge, lien and security interest described in the Financing Certificate and in the preceding paragraph; provided, however, that such Pledged Revenues shall not be

invested for a term that exceeds the term of the Notes. Pledge Revenues will be invested for a period of time in the County Treasury Pool. Any amounts remaining in the Notes Repayment Fund after repayment of all Notes and the interest thereon shall be transferred to any account in the General Fund as the Treasurer or any of his respective designees may direct. See “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE – Permitted Investments.”

As more particularly described under the heading “THE NOTES – Interfund Borrowing, Intrafund Borrowing and Cash Flow,” the County may, under certain circumstances, undertake interfund borrowing to fund shortages in the General Fund. While the County does not expect to undertake any such interfund borrowing, Section 6 of Article XVI of the California Constitution requires that any such borrowing be repaid from revenues before any other obligation of the County (including the Notes) is paid from such revenues.

Available Sources of Payment for the Notes

The Notes, in accordance with State law, are general obligations of the County, and to the extent not paid from the Pledged Revenues shall be paid with interest thereon only from any other moneys of the County lawfully available therefor. The County is not authorized to levy or collect any tax for repayment of the Notes. Pursuant to the Act, no obligations, including the Notes, may be issued thereunder if the principal of and interest on such obligations is in excess of 85 percent of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys of the County which will be available for the payment of such principal and interest. See “THE NOTES – Security for the Notes.”

The County estimates that, for purposes of Section 53858 of the Act, the uncollected taxes, income, revenue, cash receipts and other moneys to be received by or accrue to the County during the Fiscal Year 2024-25 that will be available for the payment of the principal of and interest on the Notes, including the Pledged Revenues, will be in excess of \$[12] billion, as indicated in the table below. Except for Pledged Revenues, the uncollected taxes, income, revenue, cash receipts and other moneys to be received by or accrue to the County during the Fiscal Year 2024-25 will be expended during the course of Fiscal Year 2024-25, and no assurance can be given that any moneys, other than the Pledged Revenues, will be available to pay the Notes and the interest thereon.

As provided in Section 53856 of the Act, the Notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the County from, the Pledged Revenues. See “THE NOTES – Security for the Notes” herein. “Pledged Revenues,” as indicated above, is defined as the first Unrestricted Revenues to be received by the County, in each period set forth under the caption “THE NOTES – Security for the Notes,” in an amount equal to the amount, or in the proportion of the total amount due, specified in the Financing Certificate, as described under the caption “THE NOTES – Security for the Notes.” “Unrestricted Revenues,” for purposes of the Notes, means “the taxes, income, revenue, cash receipts other moneys provided for Fiscal Year 2024-25 which will be received by or will accrue to the County during such fiscal year for the General Fund of the County and which are lawfully available for the payment of current expenses and other obligations of the County.”

The following table sets forth the Unrestricted Revenues from which the County will derive Pledged Revenues, the latter being the amounts securing the Notes.

COUNTY OF LOS ANGELES
ESTIMATED GENERAL FUND UNRESTRICTED REVENUES
FISCAL YEAR 2024-25⁽¹⁾
(In Thousands)

SOURCES:	AMOUNT
Property Taxes	\$
Other Taxes	
Homeowner’s Exemptions	
Motor Vehicle (VLF) Realignment	
Fines, Forfeitures and Penalties	
Licenses, Permits and Franchises	
Charges for Current Services	
Investment and Rental Income	
Other Revenue and Tobacco Settlement	
Total:	\$
Less amount pledged for payment of the Notes: ⁽²⁾	()
Net total in excess of Pledged Revenues:	\$

⁽¹⁾ Reflects revenues set forth in the projected cash flow for Fiscal Year 2024-25. Information subject to change to reflect the impact of any revisions to the 2024-25 State Budget Act and other matters. See “THE NOTES – State of California Finances” and APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT” attached hereto.

⁽²⁾ Based on \$[Par Amount]* aggregate principal amount of Notes, excluding the interest thereon.

To the extent that the Unrestricted Revenues are insufficient to pay the Notes, the County may access certain borrowable resources in order to satisfy its payment obligations. See the table entitled “County of Los Angeles Borrowable Resources – Fiscal Year 2024-25” on pages [10-11] for a detailed summary of the borrowable resources which the County currently projects to be available for Fiscal Year 2024-25. Such amounts are not pledged for payment of the Notes and the interest thereon. The amount of borrowable resources actually available will depend on a variety of factors, including the final form of the County’s 2024-25 Budget, when adopted, the County’s actual revenues and expenditures, and actions by the State of California which could materially impact the County’s expenses and revenues.

State of California Finances

General. The County receives a significant portion of its funding from the State. Changes in the financial situation of the State can affect the amount of funding received for numerous County programs, including various health, social services and public safety programs. A description of the Fiscal Year 2024-25 State Budget (the “2024-25 State Budget”) is set forth below. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information – 2024-25 State Budget.” There can be no assurances that the 2024-25 State Budget, when adopted, will not place additional burdens on local governments, including the County, or will not significantly reduce revenues to such local governments. The County cannot predict the ultimate impact of the 2024-25 State Budget on the County’s financial outlook. If the 2024-25 State Budget includes decreases in revenues to the County or increases in required County expenditures from the levels assumed by the County, the County will be required to generate additional revenues or curtail programs and/or services to ensure a balanced budget. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT.”

* Preliminary, subject to change.

Governor’s Proposed 2024-25 State Budget. The Governor released his proposed Fiscal Year 2024-25 State Budget (the “2024-25 Proposed State Budget”) on January 10, 2024. The 2024-25 Proposed State Budget projects that for Fiscal Year 2024-25 total resources available will be approximately \$222.7 billion (including a prior year balance of approximately \$8.0 billion) and total expenditures will be approximately \$208.7 billion, resulting in a year-end surplus of \$14.0 billion, of which \$10.6 billion would be reserved for the liquidation of encumbrances and \$3.4 billion would be deposited in a reserve for economic uncertainties. In addition, the 2024-25 Proposed State Budget projects \$11.1 billion on deposit in the State’s Rainy Day Fund. The 2024-25 Proposed State Budget projects that \$900 million will be withdrawn from the Safety Net Reserve to address budget shortfalls, leaving a zero balance in the Safety Net Reserve.

May Revision to the 2023-24 Proposed State Budget. [To be updated upon release of the May Revision.] [On May 12, 2023, the Governor released his 2023-24 May Revision to the 2023-24 Proposed State Budget (the “May Revision”). The May Revision projects Fiscal Year 2023-24 State General Fund total available resources of approximately \$233.2 billion (including a prior year balance of \$24.1 billion) and total expenditures of approximately \$224.1 billion, resulting in a year-end surplus of approximately \$9.1 billion, of which \$5.3 billion would be reserved for the liquidation of encumbrances and \$3.8 billion would be deposited in a reserve for economic uncertainties. In addition, the May Revision projects that as of the end of Fiscal Year 2023-24 there will be \$450 million on deposit in the Safety Net Reserve (reflecting a withdrawal of \$450 million) and \$22.3 billion on deposit in the State’s Rainy Day Fund. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – 2023-24 State Budget” for additional information on the 2023-24 Proposed State Budget and the May Revision.]

LAO Overview of the May Revision. [To be updated upon release of the LAO Overview of the May Revision.] [Beginning on May 15, 2023, the Legislative Analyst’s Office (the “LAO”) released a series of analyses of the May Revision entitled “The May Revision: Analyses” (the “LAO Analyses”). Among other things, the LAO Analyses estimate that the May Revision solved a \$28.3 billion budget problem, which the LAO notes is a slightly lower estimate than the \$31.5 billion figure cited in the May Revision, due to differences in baseline assumptions used by the LAO. The LAO Analyses summarize the budget solutions proposed in the May Revision, which consist of \$15.1 billion in spending reductions, \$9.1 billion in cost shifts, \$3.7 billion in revenue increases and shifts, and a \$450 million reserve withdrawal. The LAO Analyses state that under the estimates and assumptions in the May Revision, the budget condition would worsen in future years. Specifically, the State would face operating deficits of approximately \$15 billion each year through Fiscal Year 2026-27. The LAO states that these estimates are based on optimistic projections of tax revenues, which the LAO estimates to be \$11 billion lower than in the May Revision. The LAO Analyses recommend adopting the LAO’s lower revenue estimates and reducing one-time or temporary spending planned for 2023-24, in order to reduce potential budget problems in future years.]

Impact of Fiscal Year 2024-25 State Budget on the County. [To be updated.] [Despite the estimated \$31.5 billion budget shortfall, the May Revision continues to sustain and protect many previous investments and commitments significant to the County, including funding for homelessness assistance and housing programs. The County is currently working with impacted County departments to determine the potential impact of the 2024-25 State Budget.] See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information – 2024-25 State Budget” attached hereto.

Additional Information. The Governor may release additional details of the proposals or updates to the 2024-25 Proposed State Budget and May Revision. Information about the State Budget is regularly available at various State-maintained websites. The 2024-25 State Budget may be found at the Department of Finance website, www.dof.ca.gov, under the heading “The Budget.” An impartial analysis of the budget is posted by the LAO at www.lao.ca.gov. The information referred to is prepared by the respective State

agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

Interfund Borrowing, Intrafund Borrowing and Cash Flow

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. However, revenues are received during the fiscal year by the County in uneven amounts, primarily as a result of the receipt of secured property tax installment payments in December and April and delays in payments from other governmental agencies, the two largest sources of County revenues. Prior to 1977, the County managed its General Fund cash flow deficits by (i) borrowing from specific funds of other governmental entities whose funds are held in the County Treasury Pool (so-called “interfund borrowing”) pursuant to Section 6 of Article XVI of the California Constitution and (ii) borrowing from funds held in trust by the County (so-called “intrafund borrowing”). Because General Fund interfund borrowings caused disruptions in the County’s management of the General Fund’s pooled investments, since 1977 the County has regulated its cash flow by issuing tax anticipation notes and tax and revenue anticipation notes for the General Fund and by using intrafund borrowing. Except for tax and revenue anticipation notes that have not yet matured (being the \$700,000,000 in aggregate principal amount of tax and revenue anticipation notes issued in Fiscal Year 2023-24 and due June 28, 2024), all tax and revenue anticipation notes issued in connection with the County’s cash management program have been repaid on their respective maturity dates. Sufficient revenues have been reserved in a 2023-24 TRANs Repayment Fund therefor, separate from the General Fund, to repay the outstanding 2023-24 Tax and Revenue Anticipation Notes due on June 28, 2024. The County does not intend to engage in interfund borrowing for the General Fund nor has it done so since the implementation of the General Fund cash management program in Fiscal Year 1977-78.

The use of intrafund borrowing to cover negative balances in the General Fund is a regular practice. The legality of this practice was decided and affirmed in May 1999 by the California Court of Appeals in the case entitled *Stanley G. Auerbach et al v. Board of Supervisors of the County et al*. The funds available as borrowable resources and reviewed by the court in 1999 consisted primarily of property tax collections and moneys in transit. Such funds are held in trust by the County prior to being distributed to the various taxing agencies and governmental units within the County. The General Fund itself is a major recipient of these moneys in transit and ultimately receives more than 30 percent of all borrowable resources. The County has chosen not to classify such amounts as General Fund receipts until they are actually moved from trust and into the General Fund. If such moneys were classified as General Fund deposits when first received by the County, the cash balance in the General Fund would be materially greater throughout the fiscal year. See the tables entitled “Borrowable Resources Average Daily Balances - Fiscal Years 2019-20 through 2023-24” and “County of Los Angeles Borrowable Resources – Fiscal Year 2024-25” for the County’s historical and projected borrowable resources for purposes of intrafund borrowing.

The following tables set forth for Fiscal Years 2019-20 through 2023-24 the month-end cash balances in the General Fund and the average daily balances in the various funds that account for the County’s borrowable resources.

**GENERAL FUND
MONTH-END CASH BALANCES
FISCAL YEARS 2019-20 THROUGH 2023-24
(In Thousands)⁽¹⁾**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
July	\$1,724,091	\$2,084,187	\$3,186,717	\$3,532,192	\$
August	1,359,182	1,329,889	2,172,654	3,237,406	
September	424,086	685,095	1,527,213	2,848,231	
October	727,072	676,059	842,120	2,487,260	
November	410,347	36,391	246,304	1,778,473	
December	1,089,937	574,998	1,319,034	2,707,459	
January	1,594,897	770,599	1,545,696	3,077,444	
February	951,668	360,962	1,494,942	2,651,622	
March	48,617	1,683	1,177,052	1,931,765	
April	895,841	612,909	2,175,408	3,134,261	
May	1,388,588	1,311,927	2,843,143	4,069,262	(2)
June	1,914,196	2,752,640	3,256,071	4,708,560	(2)

(1) Month-end balances include the effects of short-term note issuance net of deposits to the repayment fund for the County's 2023-24 Tax and Revenue Anticipation Notes. Monthly periods with negative cash balances are covered by borrowable resources available to the County. See "THE NOTES - Interfund Borrowing, Intrafund Borrowing and Cash Flow" and APPENDIX A - "COUNTY OF LOS ANGELES INFORMATION STATEMENT - FINANCIAL SUMMARY" attached hereto.

(2) Estimated.

**BORROWABLE RESOURCES
AVERAGE DAILY BALANCES
FISCAL YEARS 2019-20 THROUGH 2023-24
(In Thousands)**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
July	\$1,358,380	\$1,430,818	\$2,063,708	\$2,874,085	\$
August	1,259,937	1,463,537	1,621,008	1,990,464	
September	1,292,868	1,611,878	1,564,800	1,907,879	
October	2,115,132	2,752,162	2,201,240	2,866,612	
November	4,122,586	4,687,600	4,125,084	5,617,787	
December	7,190,852	7,514,453	7,745,735	9,418,470	
January	4,303,078	5,166,904	5,380,354	6,052,190	
February	3,008,286	3,479,769	3,579,695	4,060,667	
March	3,247,146	3,958,513	4,042,570	4,419,615	
April	6,088,053	7,732,620	7,920,792	9,118,627	
May	3,983,999	4,284,710	5,067,413	5,603,536	(1)
June	2,048,526	2,474,454	3,162,739	2,912,297	(1)

(1) Estimated.

The Auditor-Controller submits monthly reports to the Board of Supervisors that set forth summary cash flow and borrowable resources information, including actual cash flow amounts for the General Fund through the preceding month, projected cash flows for the General Fund through the end of the applicable fiscal year and monthly borrowable resources average daily balances. The monthly cash flow reports are

available through the County’s Investor Information website at <https://ttc.lacounty.gov/investor-information/>. Such information is not incorporated herein by this reference.

In connection with the issuance of the Notes, the County has prepared the following detailed cash flow projection for Fiscal Year 2024-25 based on the 2024-25 Recommended Budget that was approved by the Board of Supervisors on [Budget Adoption Date] (the “2024-25 Recommended Budget”), and a detailed projection of average daily balances for Fiscal Year 2024-25 for all funds expected to be available as borrowable resources. The projected information relating to cash flow and borrowable resources has been prepared by the County based on historical information, as well as the County’s analysis of expected revenues and expenses for Fiscal Year 2024-25. [Although the County believes its Fiscal Year 2024-25 projections are reasonable, the cash flow and borrowable resources will depend on a variety of factors, including the extent and timing of liability and settlement costs relating to Assembly Bill 218 (“AB 218”), the final County Budget, actual revenues and expenses, the impact on the County of State budgetary actions, and other factors, and such projections should not be construed as statements of fact.] [To be updated.] See “RISK FACTORS – Liability Related to AB 218” and APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Litigation.” In preparing cash flow forecasts for prior issuances of tax and revenue anticipation notes, the County has historically been conservative in its projections. Since Fiscal Year 1990-91, the County has exceeded its year-end cash projections in 31 of 32 years, and has done so by an average of more than \$500 million [County to confirm.]. For June 30, 2024, the County projects that its cash balance will be \$[_____] million greater than the original May 2023 forecast of \$[_____] million, ending the current fiscal year at a positive \$[_____] million. There can be no assurances that actual results for Fiscal Year 2024-25 will not materially differ from the projections.

[2024-25 Monthly Cash Flow Projections Table]

[2024-25 Average Daily Balances Table]

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE

The following is a summary of certain provisions of the Resolution and the Financing Certificate. This summary is not to be considered a full statement of the terms of the Resolution or the Financing Certificate and accordingly is qualified by reference thereto and is subject to the full text thereof. Except as otherwise defined herein, capitalized terms used in this Official Statement without definition have the respective meanings set forth in the Financing Certificate.

Resolution and Financing Certificate to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Notes to be issued under the Resolution and the Financing Certificate by those who shall hold the same from time to time, the Resolution and the Financing Certificate shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the Notes. The pledge, lien, and security interest authorized in the Resolution and granted in the Financing Certificate and the covenants and agreements set forth therein to be performed by and on behalf of the County shall be for the equal benefit, protection and security of the Holders of any and all of the Notes all of which shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof, except as expressly provided in or permitted by the Financing Certificate.

Covenants of the County

The County covenants under the Financing Certificate that it will not issue any notes, or otherwise incur any indebtedness, pursuant to the Act with respect to Fiscal Year 2024-25 in an amount which, when added to the interest payable thereon, shall exceed 85 percent of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts, and other moneys of the County which will be available for the payment of said notes or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on such notes or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the County, the term of which will terminate during said fiscal year, such principal and interest may be disregarded in computing said limit.

In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the County covenants to comply with each applicable requirement of the Code (herein defined) necessary to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes. In furtherance of the foregoing tax covenant, the County agrees to comply with the provisions of the Tax Certificate. The County shall make all calculations as provided in the Tax Certificate relating to any rebate of excess investment earnings on the Notes proceeds due to the United States Department of Treasury in a reasonable and prudent fashion and shall segregate and set aside the amounts such calculations indicate may be required to be paid to the United States Department of Treasury.

Notwithstanding any other provision of the Financing Certificate to the contrary, upon the County's failure to observe or refusal to comply with the foregoing tax covenants, the Holders, and any adversely affected former Holders, shall be entitled to the rights and remedies provided to Holders under the Financing Certificate.

Negotiability, Transfer and Exchange of the Notes

The Holders of the Notes evidenced by registered certificates may transfer or exchange such Notes upon the books maintained by the Note Registrar, in accordance with the Financing Certificate.

The County and the Paying Agent may deem and treat the Holder of any Note as the absolute owner of such Note, regardless of whether such Note is overdue, for the purpose of receiving payment thereof and for all other purposes, and all such payments so made to any such Holder or upon his or her order will satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the County nor the Paying Agent will be affected by any notice to the contrary. Cede & Co., as nominee of DTC, or such other nominee of DTC or any successor securities depository or the nominee thereof, will be the Holder of the Notes as long as the beneficial ownership of the Notes is held in book-entry form in the records of such securities depository. See APPENDIX D – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

Permitted Investments

Moneys on deposit in the Notes Repayment Fund will be retained therein until applied to the payment of the principal of and interest on the Notes; provided, however, that earnings on amounts in the Notes Repayment Fund shall be deposited as and when received into the General Fund of the County. Such amounts may not be used for any other purpose, although they may be invested in Permitted Investments, as defined in the Financing Certificate (“Permitted Investments”), as more fully described below:

(1) Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America.

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board; (b) the Federal Home Loan Mortgage Corporation; (c) the Federal National Mortgage Association; (d) Federal Farm Credit Bank; (e) Government National Mortgage Association; (f) Student Loan Marketing Association; and (g) guaranteed portions of Small Business Administration notes.

(3) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s, a Standard & Poor’s Financial Services LLC business (“S&P”), or Fitch Ratings (“Fitch”) and “P-1”, “A-1”, “F1” or better rating for the issuer’s short-term debt, as provided by Moody’s, S&P, or Fitch, respectively. The maximum total par value may be up to 15% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(4) The County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days, with a maximum par value of 40% of the total amount held by the Treasurer in accordance with the Financing Certificate. The institution must have a minimum short-term debt rating of “A-1,” “P-1,” or “F1” by S&P, Moody’s, or Fitch, respectively, and a long-term debt rating of no less than “A” by S&P, Moody’s or Fitch.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 *et seq.*) and whose fund has received the highest possible rating from S&P and at least one other nationally recognized securities rating agency. The maximum par value may be up to 15% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(7) Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P, Moody’s or Fitch. The maximum par value may be up to 30% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(8) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above. The maximum par value per issuer may not exceed \$500,000,000 and the maximum total par value for all such agreements with funds held by the Treasurer under the Financing Certificate may not exceed \$1,000,000,000.

(9) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA” or “Aa2” by S&P or Moody’s, respectively.

Notwithstanding anything within the definition of Permitted Investments to the contrary, so long as S&P maintains a rating on the Notes, to the extent Pledged Revenues are invested in Permitted Investments described in paragraphs (3), (5), (7) or (9) above, such investments must be rated by S&P at the respective S&P ratings described therein.

Notes Repayment Fund Held by the Treasurer

Under the Resolution and the Financing Certificate, the County shall transfer to the Treasurer for deposit in the Notes Repayment Fund the Pledged Revenues as set forth in the Financing Certificate. The Pledged Revenues may be invested in Permitted Investments; provided, however, that such Pledged Revenues shall not be invested for a term that exceeds the term of the Notes. The Pledged Revenues shall be used to pay the Notes and the interest thereon when the same shall become due and payable and may not be used for any other purpose; provided that earnings on amounts in the Notes Repayment Fund shall be deposited as and when received into the General Fund. Any amounts remaining in the Notes Repayment Fund after repayment of all the Notes and the interest thereon shall be transferred to any account in the General Fund as the Treasurer or any designee thereof may direct.

Supplemental Financing Certificates and Resolutions

The Financing Certificate and certain of the rights and obligations of the County and of the Holders of the Notes may be amended or supplemented pursuant to a supplemental financing certificate executed by the Treasurer in accordance with the provisions of the Financing Certificate (a “Supplemental Financing Certificate”), with the written consent of the Holders of at least a majority in principal amount of the Notes outstanding at the time such consent is given; provided, however, that if such supplement or amendment will, by its terms, not take effect so long as any Notes remain Outstanding, the consent of the Holders of such Notes will not be required. No such supplement or amendment shall (i) permit a change in the terms of maturity of the principal of any Notes or of the applicable interest rate thereon or a reduction in the principal amount thereof without the consent of all of the Holders of the affected Notes, or (ii) change the dates or amounts of the pledges set forth in the Financing Certificate with respect to the Notes, as set forth under “THE NOTES - Security for the Notes,” without the consent of all of the Holders of the affected Notes, or (iii) reduce the percentage of the Holders required to approve such Supplemental Financing Certificate without the consent of all of the Holders of the affected Notes, or (iv) change or modify any of the rights or obligations of the Paying Agent without its written consent thereto.

Additionally, a resolution amending the Resolution (a “Supplemental Resolution”) may be adopted, or a Supplemental Financing Certificate may be executed, without the consent of the Holders, (i) to add covenants and agreements to be observed by the County that are not contrary to or inconsistent with the Resolution or the Financing Certificate, (ii) to add to the limitations and restrictions to be observed by the County that are not contrary to or inconsistent with the Resolution or the Financing Certificate, (iii) to confirm as further assurance, any pledge, lien or security interest under, and the subjection to any security interest, lien or pledge created or to be created by the Resolution or the Financing Certificate, of any property, or to establish any additional funds or accounts to be held under the Resolution or the Financing Certificate, (iv) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution or the Financing Certificate, (v) to supplement or amend the Resolution or the Financing Certificate as required to maintain a rating for the Notes, or any portion thereof, from any rating agency, provided that the County obtains an opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Financing Certificate does not adversely affect the interests of the Holders, or (vi) to supplement or amend the Resolution or Financing Certificate in any other respect, provided that the County obtains an opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Financing Certificate does not adversely affect the interests of the Holders.

Events of Default

Any one or more of the following will constitute an “Event of Default” under the Resolution and the Financing Certificate:

- (1) the County fails to make any payment of the principal of or interest on any Notes when and as the same become due and payable;
- (2) the County fails to perform or observe any other of the covenants, agreements or conditions required to be performed or observed by the County pursuant to the Resolution, the Financing Certificate or the Notes and such default shall continue for a period of 60 days after written notice thereof to the County by the Holders of not less than 10 percent in principal amount of the Notes outstanding; or
- (3) the County shall file a petition for relief under the federal bankruptcy laws.

Whenever any Event of Default shall have happened and shall be continuing, the Holders, and any adversely affected former Holders of the Notes, and their legal representatives, will be entitled to take any and all actions available at law or in equity to enforce the performance of the covenants in the Financing Certificate and in the Act. Nothing in the Financing Certificate will preclude an individual Holder from enforcing such Holder’s rights to payment of principal of or interest on the Notes.

Payment of Unclaimed Moneys to County

Anything in the Financing Certificate to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Notes that remain unclaimed for a period of one year after the date when such Notes have become due and payable, if such moneys were so held at such date, or for one year after the date of deposit of such moneys if deposited after the date when such Notes became due and payable, will be repaid to the County, as its absolute property and free from trust, and the Holders may thereafter look only to the County for the payment of such Notes from lawfully available funds; provided, however, that before any such payment is made to the County, the County will create (and thereafter maintain until payment of all of the Notes) a record of the amount so repaid, and the County will cause to be published at least twice, at any interval of not less than seven days between publications, in *The Bond Buyer* and two other newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, in Los

Angeles, California and in the Borough of Manhattan, City and State of New York, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County.

RISK FACTORS

The following factors, along with all other information in this Official Statement, must be considered by potential investors in evaluating the risks inherent in the purchase of the Notes. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Notes. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

The County's Fiscal Year 2024-25 Recommended Budget

The County's Fiscal Year 2024-25 Recommended Budget was based on a number of assumptions regarding both revenues and expenditures. The Fiscal Year 2024-25 Recommended Budget was approved by the Board of Supervisors on [Budget Adoption Date]. The Fiscal Year 2024-25 Recommended Budget equals approximately \$[] billion and reflects an overall [decrease] of \$[] billion from Fiscal Year 2023-24 and assumes a General Fund net County cost of \$[] billion. [To be updated with release of County budget.] The County may make adjustments throughout the year as necessary to maintain a balanced budget, as required by the County Charter. See APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information – Fiscal Year 2024-25 Recommended Budget" attached hereto.

Liability Related to AB 218

[To be updated.]

AB 218, which became effective January 1, 2020, among other things, extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years after the plaintiff reaches the age of majority (*i.e.*, until age 40) or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later. In addition, AB 218 revived a three-year window to file certain claims that were previously barred and excluded certain claims from the procedures set forth in the Government Claims Act.

The County preliminarily estimates that liability and settlement costs relating to AB 218 may range from \$2.1 billion to more than \$3 billion. For cases that have been served, the County estimates that approximately \$940 million of the total liability could be realized in Fiscal Year 2024-25. The amount and timing of payments are dependent upon, among other things, the outcome of the lawsuits, many of which are in the early stages. The County cannot predict how many additional claims will be received, and when and the extent to which liability will be incurred in any particular year. The County is considering various options for payment of AB 218-related costs, including the use of a combination of available moneys and financing alternatives, including the potential issuance of judgment obligation bonds. To the extent available moneys from Fiscal Year 2024-25 are used to pay liabilities relating to AB 218, less Unrestricted Revenues will be available for payment of current expenses and other obligations of the County. Because the Notes are secured by the first Unrestricted Revenues to be received by the County in each period set forth under the caption "THE NOTES – Security for the Notes," the current expenses and other obligations of the County for each such period are paid after amounts are set aside for the Notes in such period. To the

extent financing alternatives are utilized, repayment of such borrowings is expected to commence subsequent to the maturity date of the Notes. There can be no assurance that the County will determine to use any financing option described herein. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Litigation – AB 218.” The County does not expect that the amounts it may be required to pay with respect to these lawsuits will materially impair its ability to pay the Notes.

In addition, in October 2023, the Governor signed into Assembly Bill 452, amending Section 340.1 of the California Code of Civil Procedure to remove all time limits to file lawsuits for childhood sexual assault for causes of action arising on or after January 1, 2024. The County cannot predict if, when, and in what form these two bills or any other similar legislation will be enacted or the potential liability stemming from any claims arising therefrom.

Financial Conditions in Local, State and National Economies

The financial condition of the County can be significantly affected by generally prevailing financial conditions in the local, State and national economies. The County receives a significant portion of its funding from the State. Decreases in the State’s General Fund revenues may significantly affect appropriations made by the State to public agencies, including the County. There can be no assurances that the occurrence of a recession or otherwise declining conditions in the local, State or national economies will not materially adversely affect the financial condition of the County in the future. See also “THE NOTES – State of California Finances” herein and APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information - Federal and State Funding” attached hereto.

Cybersecurity

The County relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the County and its departments and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. In May 2016, a phishing email attack occurred in which the perpetrator accessed usernames and passwords of County employees and caused a breach of information for over 750,000 individuals. The County’s District Attorney Cyber Investigative Response Team found the perpetrator and criminal charges were filed. After the incident, the County created the Office of Privacy within the Chief Executive Office, Risk Management Branch. In collaboration with the Chief Information Security Officer, the Office of Privacy oversees and coordinates the privacy, security, and policies of the County that relate to personally identifiable and protected health information. The Office of Privacy works with other county offices and officials, including information security and law enforcement personnel and data experts, to protect confidential information from unauthorized disclosures and to comply with Federal and State privacy and information technology security regulations and best practices.

In November 2018, the Board adopted revised Information Technology and Security Board Policies which set forth directives on best practices for use of the County’s computer systems. These policies include an Information Security Policy, an Information Classification Policy, a Use of County Information Assets Policy, an Information Security Incident Reporting and Response Policy and an Information Technology Audit and Risk Assessment Policy. The County uses a risk-based approach (which involves creating controls for managing risks based on prioritizing the severity of damage posed by those risks and helps focus efforts based on the level of risk involved) to manage cybersecurity threats, which allows the County to continuously evaluate the vulnerabilities of its systems and the threats posed thereto so that the County may timely react to and address each situation. The County also conducts ongoing cybersecurity awareness training for County employees as a component of its cyber liability insurance policy.

No assurances can be given that the County's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County's computer and information technology systems could impact its operations and damage the County's digital networks and systems, and the costs of remedying any such damage could be substantial.

Climate Change

The change in the Earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events. Climate change may also be a factor in the increased incidence of wildfires in the County and elsewhere in the State. As greenhouse gas emissions continue to accumulate, climate change will intensify and increase the frequency of extreme weather events such as coastal storm surges, drought, wildfires, floods, landslides and heat waves; and raise sea levels along the coast.

Among the actions taken by the County to address climate change are the establishment of a Chief Sustainability Office and the adoption of the "OurCounty Sustainability Plan." The Chief Sustainability Office provides comprehensive and coordinated policy support and guidance for the Board of Supervisors, County Departments, the unincorporated areas and the region to assist in making communities in the County more sustainable. The OurCounty Sustainability Plan, adopted in August 2019, identifies actions local governments and stakeholders can take to enhance the well-being of all communities in the County while reducing damage to the natural environment and adapting to the changing climate. Ongoing priorities under the OurCounty Sustainability Plan include programs designed to improve the health of community environments, funding buildings and infrastructure that support human health and resilience, programs that support equitable and sustainable land use and development without displacement of existing users, programs that support the transition to a green economy and a fossil fuel free economy in the County, and the sustainable production and consumption of resources. The County's Chief Sustainability Office and County departments work with partners and stakeholders to monitor and report on the implementation of the OurCounty Sustainability Plan.

[In 2015, the County adopted the Unincorporated Los Angeles County Community Climate Action Plan 2020 (the "2020 CCAP"), as a component of the Air Quality Element of the Los Angeles County General Plan 2035, and set a target to reduce emissions in unincorporated Los Angeles County by 11% by 2020. The 2045 Los Angeles County Climate Action Plan (the "2045 CAP"), adopted on April 16, 2024, builds upon the County's existing and ongoing efforts under the 2020 CCAP and focuses on actions to reduce greenhouse gas emissions associated with community activities in unincorporated Los Angeles County. The 2045 CAP sets new greenhouse gas emissions reductions targets beyond the 2020 timeframe in the 2020 CCAP, which are consistent with State goals. Through the 2045 CAP, the County has set a target of 2045 for achieving carbon neutrality in the County's unincorporated areas and maintaining net negative greenhouse gas emissions thereafter in accordance with statewide goals established in 2018.] [To be confirmed.]

The County cannot predict the timing, extent, or severity of climate change and its impact on the County's operations and finances. However, over time the costs could be significant and could have a material adverse effect on the County's finances by requiring greater expenditures to respond to the effects of climate change. Also, additional actions to address climate change may be necessary and the County can give no assurances regarding the impact of such actions on the County's operations and finances.

Seismic Events and Other Natural Disasters

The County, like most regions in the State, is located in an area of seismic activity from movements along active fault zones and, therefore, could be subject to potentially destructive earthquakes. Numerous minor faults transect the area within the County and seismic hazards encompass both potential surface rupture and ground shaking.

Additionally, many areas of California, including areas within the County, have suffered from severe wildfires in recent years, resulting in thousands of acres being burned and the destruction of homes and other structures. The occurrence of severe seismic activity, a significant wildfire or other natural disaster, such as flooding or landslides in the County could result in substantial damage to property and infrastructure within the County. Substantial financial and operational resources of the County could be required during such an event and thereafter to repair damage to County infrastructure. The County operates and coordinates a comprehensive disaster recovery network that is responsible for providing critical services in response to such natural disasters and other emergencies. See Appendix A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – County Services – Disaster Services.”

Public Health Emergencies

There can be no assurance that the spread of an epidemic or a pandemic, including a surge in COVID-19 cases, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the source of repayment for the Notes. No assurance can be given that the County would receive federal aid akin to the aid it received in 2020 and 2021 if another pandemic or similar public health emergency were to occur.

Enforceability of Remedies

The rights of the owners of the Notes are subject to the limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the County, may become subject to federal bankruptcy law and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against counties in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held in the case of *County of Orange v. Merrill Lynch* that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county, but was not required to directly address the State statute that provides for the lien in favor of holders of tax and revenue anticipation notes. The County expects to be in possession of the Pledged Revenues, which will be set aside to repay the Notes, and such amounts will be held in the Notes Repayment Fund, a segregated account to be established and maintained by the County for the benefit of the owners of

the Notes. The amounts in such segregated account will be invested for a period of time in the County Treasury Pool. In the event of a petition for the adjustment of County debts under Chapter 9 of the United States Bankruptcy Code, a court might hold that the owners of the Notes do not have a valid and prior lien on the pledged amounts where such amounts are deposited in the County Treasury Pool and may not provide the Note owners with a priority interest in such amounts. Such pledged amounts may not be available for payment of principal of and interest on the Notes unless the owners could “trace” the funds from the Notes Repayment Fund that have been deposited in the County Treasury Pool. There can be no assurance that the Owners could successfully so “trace” the pledged amounts.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. The amount treated as interest on the Notes and excluded from gross income may depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C – “PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL.”

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the payment at maturity on debt obligations such as the Notes that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity, or (ii) the difference between the issue price of the Notes and the aggregate amount to be paid at maturity of the Notes (the “original issue discount”). For this purpose, the issue price of the Notes is the first price at which a substantial amount of the Notes is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the IRS provides further guidance, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax exempt debt obligations with a term that is not more than one year from the date of issue in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of the Notes if original issue discount treatment is elected.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder of the Note’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such holder of the Notes. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

One of the covenants of the County referred to above requires the County to reasonably and prudently calculate the amount, if any, of excess investment earnings on the proceeds of the Notes which must be rebated to the United States, to set aside from lawfully available sources sufficient moneys to pay such amounts and to otherwise do all things necessary and within its power and authority to ensure that interest on the Notes is excluded from gross income for federal income tax purposes. Under the Code, if the County spends 100% of the proceeds of the Notes within six months after issuance, there is no requirement that there be a rebate of investment profits in order for interest on the Notes to be excluded from gross income for federal income tax purposes. The Code also provides that such proceeds are not deemed spent until all other available moneys (less a reasonable working capital reserve) are spent. The County expects to satisfy this expenditure test or, if it fails to do so, to make any required rebate payments from moneys received or accrued during Fiscal Year 2024-25. To the extent that any rebate cannot be paid from such moneys, California law is unclear as to whether such covenant would require the County to pay any such rebate. This would be an issue only if it were determined that the County's calculation of expenditures of Notes proceeds or of rebatable arbitrage profits, if any, was incorrect.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Notes may otherwise affect a holder of the Notes' federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the holder(s) of the Notes or the holder(s) of the Notes other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the

enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the holders of the Notes regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, holders of the Notes, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the County or the holders of the Notes to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate holder of the Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain holders of the Notes (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

CERTAIN LEGAL MATTERS

Legal matters related to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. The approving opinion of Bond Counsel will be delivered with the Notes in substantially the form appearing in Appendix C hereto. Bond Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the County by Hawkins Delafield & Wood LLP, Los Angeles, California, Disclosure Counsel, and County Counsel, and for the Underwriters by their counsel, Nixon Peabody LLP, Los Angeles, California.

LEGALITY FOR INVESTMENT IN CALIFORNIA

Under the California Financial Code, the Notes are legal investments for commercial banks in the State, and under the California Government Code, the Notes are eligible to secure deposits of public moneys in the State.

FINANCIAL STATEMENTS

The financial statements of the County for the Fiscal Year ended June 30, 2023, pertinent sections of which are included in Appendix B to this Official Statement, have been audited by Macias Gini & O'Connell LLP (the "Independent Auditor"), certified public accountants, as stated in their report appearing

in Appendix B attached hereto. See APPENDIX B – “COUNTY OF LOS ANGELES FINANCIAL STATEMENTS.” The Independent Auditor has not consented to the inclusion of its report as Appendix B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made herein, and no opinion is expressed by the Independent Auditor with respect to any event subsequent to its report dated December 8, 2023.

RATINGS

Moody’s, S&P and Fitch have given the Notes the ratings of “___,” “___” and “___,” respectively. Certain information was supplied by the County to the rating agencies to be considered in evaluating the Notes. Such ratings reflect only the views of the rating agencies, and are not a recommendation to buy, sell or hold any of the Notes. Any explanation of the significance of each such rating should be obtained from the rating agency furnishing the same at the following addresses: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041; Fitch Ratings, 33 Whitehall Street, New York, New York 10004. There can be no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of ratings may have an adverse effect on the market price of the affected Notes.

LITIGATION

To the best knowledge of the County, no litigation is pending or threatened concerning the validity of the Notes. The County is routinely a party to various lawsuits and administrative proceedings. Summaries of certain pending legal proceedings or potential contingent liabilities, including those that may affect the County’s longer-term financial condition, such as claims relating to AB 218, are set forth in Appendix A attached hereto. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Litigation.” In the opinion of County Counsel, the outcome of the presently pending suits and claims will not materially impair the County’s ability to repay the Notes.

MUNICIPAL ADVISOR

Omnicap Group LLC has served as Municipal Advisor to the County in connection with the issuance of the Notes. The Municipal Advisor has not been engaged, nor has it undertaken, to make an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained herein.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate dated the date of issuance of the Notes (the “Continuing Disclosure Certificate”), the County will covenant to provide, no later than ten business days after their occurrence, notice of the occurrence of the events set forth in Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. Certain of the events set forth under Rule 15c2-12 do not apply to the Notes. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the underwriters in complying with Rule 15c2-12.

The County did not timely file a notice of a rating upgrade with respect to the Community Facilities District No. 3 (Valencia/Newhall Area) of the County of Los Angeles, Improvement Area B Special Tax Refunding Bonds, Series 2011A. In addition, the notice of a rating upgrade with respect to the Los Angeles County Public Works Financing Authority, Lease Revenue Bonds, 2016 Series D (the “2016D Bonds”) did not identify all of the applicable CUSIPs of this issue. The County filed a notice of the rating change with the applicable CUSIPs for the 2016D Bonds. The annual report for Fiscal Year ending 2019 for the County’s Community Facilities District No. 3, Area C Special Tax 2012A Bonds and the annual report for the Fiscal Year ending 2021 for the County of Los Angeles 2012 Refunding Certificates of Participation (Disney Concert Hall Parking Garage) and the Los Angeles County Facilities Inc. Lease Revenue Bonds, Series 2018A and 2018B (Vermont Corridor County Administration Building) did not identify all applicable CUSIPs of this issue. The County filed notices of failure to file the annual reports and the respective annual reports with all applicable CUSIPs.

UNDERWRITING

The Notes are being purchased for reoffering by Morgan Stanley & Co. LLC, as representative of itself and the underwriters identified on the cover page of this Official Statement (collectively, the “Underwriters”). The Underwriters have agreed to purchase the Notes at a purchase price of \$ _____ (representing the principal amount of the Notes, plus original issue premium of \$ _____, less Underwriters’ discount of \$ _____). The Contract of Purchase (the “Contract of Purchase”) provides that the Underwriters will purchase all of the Notes if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Contract of Purchase.

The Underwriters may offer and sell the Notes to certain dealers and others at prices lower than the public offering price stated on the cover page hereof. The offering price may be changed from time to time by the Underwriters.

The following paragraphs have been provided by the Underwriters:

[To come.]

Morgan Stanley has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Notes.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the County for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County or the State. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas

and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Notes. Quotations from and summaries and explanations of the Notes, the Resolution, the Financing Certificate and the statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

The County regularly prepares a variety of reports, including audits, budgets, and related documents, as well as certain monthly activity reports. Such reports are not incorporated by this reference. Any Holder of a Note may obtain a copy of any such report, as available, from the County by contacting:

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION, ROOM 432
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012

APPENDIX A

COUNTY OF LOS ANGELES INFORMATION STATEMENT

THE COUNTY OF LOS ANGELES

Information Statement

GENERAL INFORMATION

The County of Los Angeles (the "County") was established by an act of the California State Legislature on February 18, 1850 as one of California's original 27 counties. Located in the southern coastal portion of the State, the County covers 4,083 square miles and includes 88 incorporated cities as well as many unincorporated communities. With a population of 9.8 million in 2023, the County is the most populous of the 58 counties in California and has a larger population than 40 states.

As required by the County Charter, County ordinances, and State or Federal mandates, the County is responsible for providing government services at the local level for activities including public welfare, health and justice, the maintenance of public records, and administration of ad valorem taxes. The County provides services such as law enforcement and public works to cities within the County on a cost-recovery contract basis. The County also provides certain municipal services to unincorporated areas of the County and operates recreational and cultural facilities throughout the County.

COUNTY GOVERNMENT

The County is governed by a five-member Board of Supervisors (the "Board of Supervisors"), each of whom is elected by residents from their respective supervisorial districts to serve four-year terms, with the potential to serve two additional four-year terms if re-elected by voters. The other elected officials of the County are the Assessor, District Attorney and Sheriff. On March 5, 2002, County voters approved two charter amendments that introduced mandatory term limits for the elected officials of the County. As a result, each Supervisor is now limited to serving a maximum of three consecutive terms commencing as of December 2002.

On July 7, 2015, the Board of Supervisors approved a new governance structure, pursuant to which all non-elected department heads report directly to the Board of Supervisors, and all Deputy Chief Executive Officer ("CEO") positions were eliminated. County departments continue to report to the CEO for day-to-day operations, and for administrative and budget matters. The CEO continues to function as the Board of Supervisors' agent to manage countywide policy objectives and departmental performance management. The new governance structure is designed to streamline County governance by improving communications with County departments and facilitating more effective decision making in response to the Board of Supervisors' policy objectives.

From 2014 to 2022, the County experienced significant changes to its elected leadership on the Board of Supervisors. In December 2014, the previous Supervisors for the First District and the Third District reached their term limits, with their successors elected by voters in the November 2014 election. The current Supervisors for the First and Third Districts commenced their first terms in December 2014. In November 2016, voters elected new Supervisors to the Fourth District and the Fifth District, replacing the previous Supervisors who had reached their term limits. The new Supervisors for the Fourth and Fifth Districts commenced their first terms in December 2016. Voters elected a new Supervisor to the Second District in November 2020, replacing the previous Supervisor who termed

out of office in December 2020. Voters elected a new Supervisor for the Third District in the November 2022 election to replace the previous Supervisor who retired in December 2022 after serving two terms.

In the November 2022 election, County voters approved Measure A, which authorizes the Board of Supervisors, by a four-fifths vote, to remove the Sheriff from office for cause, which is defined to include: violation of laws related to the Sheriff's duties; repeated neglect of the Sheriff's duties; misuse of public funds or properties; willful falsification of documents; or obstruction of an investigation into the department's conduct. In November 2022, voters also elected a new Sheriff to replace the previous Sheriff who served one term.

COUNTY SERVICES

The vast majority of the County population resides in the 88 incorporated cities located within its boundaries. The County provides some municipal services to these cities on a contract basis under the Contract Services Plan. Established in 1954, this plan was designed to allow cities to contract for municipal services without incurring the cost of creating numerous city departments and facilities. Under the Contract Services Plan, the County will provide various municipal services to a city on a cost recovery basis at the same level of service as provided to the unincorporated areas or at a higher level of service that a city may choose.

Over one million people live in the unincorporated areas of the County. For the residents of these areas, the County Board of Supervisors functions as their "City Council," and County departments provide all of their municipal services, including law enforcement, fire protection, land use and zoning, building and business permits, road maintenance, animal care and control, and public libraries. Beyond the unincorporated areas, the County provides a wide range of services to all citizens who live within its boundaries.

Many of the County's core service functions are required by the County Charter, County ordinances, or by State or Federal mandate. State and Federal mandated programs, primarily related to social services and health care, are required to be maintained at certain minimum levels of service, which can limit the County's flexibility in providing these services.

Health and Welfare

Under State Law, the County is required to administer Federal and State health and welfare programs, and to fund a portion of the program costs with local revenues, such as sales and property taxes. Health care services are provided through a network of County hospitals and comprehensive health centers. In addition, the County provides public health, immunization, environmental and paramedic services, and is responsible for the design and establishment of the countywide emergency trauma network, which includes two medical centers operated by the County. The County also has responsibility for providing and partially funding mental health, drug and alcohol abuse prevention, and various other treatment programs. These services are provided at County facilities and through a network of contract providers.

While many of the patients receiving services at County facilities are indigent or covered by Medi-Cal (a State health insurance program), the County health care delivery system has been designed with the objective of providing quality health care services to the entire population. Through its affiliation with two medical schools and by operating its own school of nursing, the County Department of Health Services (“DHS”) is a major provider of health care professionals throughout California.

Disaster Services

The County operates and coordinates a comprehensive disaster recovery network that is responsible for providing critical services in response to floods, fires, storms, earthquakes, and other emergency events, including the COVID-19 pandemic. Centralized command centers can be established at any Sheriff station or in mobile trailers throughout the County. To prevent floods and conserve water, the County maintains and operates a system of 14 major dams, 172 debris basins, an estimated 120,000 catch basins, 35 sediment placement sites, and over 3,399 miles of storm drains and channels. County lifeguards monitor 25 miles of beachfront and County rescue boats patrol 75 miles of coastline, including the Catalina Channel.

Public Safety

The County criminal justice network is primarily supported by local County revenue sources, State Public Safety sales tax revenue and fees from contracting cities. The Sheriff provides countywide law enforcement services and will perform specific functions requested by local police departments, including the training of thousands of police officers employed by the incorporated cities of the County. Specifically, the County provides training for narcotics, vice, homicide, consumer fraud, and arson investigations, as well as assistance in locating and analyzing crime scene evidence. The County also operates and maintains one of the largest jail systems in the United States, with an average daily inmate population of 13,807 inmates in 2022. This number includes 124 inmates who were serving their sentences outside of the jail in community-based programs.

General Government

The County is responsible for the administration of the property tax system, including property assessment, assessment appeals, collection of taxes, and distribution of property tax revenue to cities, agencies, special districts, and local school districts. Another essential general government service is the County’s voter registration and election system, which provides services to an estimated 5.6 million registered voters and maintains approximately 5,544 voting precincts for countywide elections.

Culture and Recreation

Through a partnership with community leaders, non-profit organizations, volunteers and the private sector, the County operates the Music Center complex, which includes the Dorothy Chandler Pavilion, Mark Taper Forum, Ahmanson Theater, and the Walt Disney Concert Hall. The County also functions as the operator of the Hollywood Bowl, the John Anson Ford Theater, the Los Angeles County Museum of Art, the Museum of Natural History, and the George C. Page Museum.

The County manages over 183 parks and operates a network of regional recreational facilities, including Marina del Rey (a small craft harbor), 9 regional parks, 38 neighborhood parks, 20 community parks, 15 wildlife sanctuaries, 9 nature centers, 36 public swimming pools, over 200 miles of horse, biking and

hiking trails, and 20 golf courses. The County also maintains four botanical centers, including the Los Angeles County Arboretum and Botanic Garden, the South Coast Botanic Garden, Descanso Gardens, and the Virginia Robinson Gardens, which provide County residents with valuable environmental and educational resources.

EMPLOYEE RELATIONS/COLLECTIVE BARGAINING (To Be Updated)

The County has a total of approximately 114,106 budgeted positions with 87.5% of the workforce represented by sixty-two (62) separate collective bargaining units that are certified employee organizations. These organizations include the Services Employees International Union Local 721 (“SEIU”), which includes twenty-four (24) collective bargaining units that represent 57.2% of County employees; the Coalition of County Unions (“CCU”), which includes thirty-three (33) collective bargaining units representing 28.6% of County employees; and the Independent Unions (the “Independent Unions”), which encompass five (5) collective bargaining units representing 1.7% of County employees. Under labor relations policy direction from the Board of Supervisors and Chief Executive Officer, the CEO Employee Relations Division is responsible for negotiating sixty-two (62) individual collective bargaining agreements for wages and salaries and an additional two (2) fringe benefit agreements with SEIU and the CCU. The Independent Unions are covered by one of the two fringe benefit agreements.

All of the previous Memoranda of Understanding (“MOUs”) with the various collective bargaining units covering wages, salaries and fringe benefits expired on dates ranging from December 31, 2020 to September 30, 2021. As the previous MOUs began to expire, the County successfully negotiated 0% COLA roll-over contract extensions with nearly all collective bargaining units. The 0% COLA extensions were of limited duration and designed to facilitate a new round of negotiations in early 2022.

The County previously had two MOUs with the CCU and the SEIU covering fringe benefits, which expired on June 30, 2021 and September 30, 2021, respectively. The County successfully reached agreement with the CCU and SEIU extending the fringe benefit contracts through March 31, 2022. The extended fringe benefit agreements resulted in the addition of a new County Holiday “Juneteenth”, a one-time \$1,000 payment in lieu of COLA, a \$500 COVID Appreciation Pay with an additional “Hero Pay” bonus of up to \$650 for DHS employees, and a 2.5% increase in the healthcare benefit allowance. The overall effect of these MOU extensions was to help position the County to recover from the adverse financial impact of the COVID-19 pandemic without incurring additional labor-related expenditures for Fiscal Year 2021-22.

On March 31, 2020, the Board approved a hard hiring freeze that exempted critical health and safety positions as determined by the CEO. The Board also instructed the CEO to work with the Auditor-Controller to freeze non-essential purchases of services, equipment, travel and training. The Board of Supervisors also approved a temporary suspension of the County’s matching contribution to the Deferred Compensation and Thrift Plan and the 401(k) Savings Plan for non-represented employees and certain represented employees covered by the Flex and MegaFlex benefit plans as of May 1, 2020. These measures were one of many strategies employed to manage the negative impact of the COVID-19 pandemic on the financial condition of the County.

As the local economy and financial outlook improved, the County rescinded the hard-hiring freeze in October 2021 for all departments except for the Sheriff's Department and a single budgetary unit within the Probation Department related to juvenile services. The County also rescinded the freeze on non-essential services, supplies and equipment purchases for all departments except for the Sheriff's Department. The suspension of the matching contributions to the Deferred Compensation and Thrift Plan and the 401(k) Savings Plan ended on June 30, 2021.

In December 2022, the Board of Supervisors approved agreements with the collective bargaining units in SEIU covering wages, salaries and fringe benefits. The agreements included salary increases of 5.5%, 3.25%, and 3.25% effective October 1, 2022, 2023 and 2024, respectively; and fringe benefit increases of 4.0%, 2.5%, and 2.0% effective January 1, 2023, 2024 and 2025, respectively. The foregoing, which establishes the COLA for all SEIU members, was used as the basis for negotiating the economic benefits for all remaining County unions. In addition, the County and bargaining units 311 (Registered Nurses) and 312 (Supervising Registered Nurses) of SEIU agreed to additional economic benefits that provide additional salary increases of 2.0% on October 1, 2023, 1.0% on October 1, 2024, and 0.25% on March 1, 2025. Based upon the above parameters, the County has closed negotiations with all 24 bargaining units represented by SEIU.

Negotiations with 31 of the 33 collective bargaining units represented by the CCU, and 4 of the 5 Independent Unions are complete, with settlement terms matching the 5.5%, 3.25% and 3.25% salary increases established with SEIU. The remaining collective bargaining units that have not yet reached agreement with the County will receive the same salary increases as all of the other bargaining units that have settled with the County.

RETIREMENT PROGRAM

General Information

All permanent County employees of three-quarter time or more are eligible for membership in the Los Angeles County Employees Retirement Association ("LACERA"). LACERA was established in accordance with the County Employees Retirement Law of 1937 (the "Retirement Law") to administer the County's Employee Retirement Trust Fund (the "Retirement Fund"). LACERA operates as a cost-sharing multi-employer defined benefit plan for employees of the County, the Los Angeles Superior Court and four other participating agencies. The Superior Court and the other four non-County agencies account for approximately 4.9% of LACERA's total membership.

LACERA is governed by the Board of Retirement, which is responsible for the administration of the Retirement Fund, the retiree healthcare program, and the review and processing of disability retirement applications. The Board of Retirement is comprised of four positions appointed by the Board of Supervisors, two positions elected by general LACERA members, two positions (one active and one alternate) elected by LACERA safety members and two positions (one active and one alternate) elected by retired LACERA members. The County Treasurer and Tax Collector is required by law to serve as an ex-officio member of the Board of Retirement.

The LACERA plans are structured as "defined benefit" plans in which benefit allowances are provided based on salary, length of service, age and membership classification. Law enforcement officers, firefighters, foresters and lifeguards are classified as "safety" employees, with all other positions classified as

"general" employees. County employees had the option to participate in a contribution based defined benefit plan or a non-contribution based defined benefit plan. In the contribution-based plans (Plans A, B, C, D & G), employees contribute a fixed percentage of their monthly earnings to LACERA based on rates determined by LACERA's independent actuary. The contribution rates depend upon age, the date of entry into the plan and the type of membership (general or safety). County employees who began their employment between January 4, 1982 and January 1, 2013 had the option to participate in Plan E, which is a non-contribution-based plan. The contribution-based plans (A through G) have higher monthly benefit payments for retirees compared to Plan E.

LACERA's total membership as of June 30, 2023 was 190,327, consisting of 96,905 active members, 73,008 retired members and beneficiaries and 20,414 vested former members. Of the 96,905 active members, 84,295 are general members in General Plans A through G, and 12,610 are safety members in Safety Plans A through C.

Of the 73,008 retired members, 58,745 are general members in General Plans A through G, and 14,263 are safety members in Safety Plans A, B and C. Beginning in 1977, both the General Plan A and the Safety Plan A were closed to new members. The County elected to close these plans in response to growing concerns regarding the future cost of Plan A benefits, which were considerably more generous than other plan options currently available to County employees.

As of June 30, 2023, approximately 40% of the total active general members were enrolled in General Plan D, and 60% of all active safety members were enrolled in Safety Plan B. The basic benefit structure of General Plan D is a "2.0% at 61" funding formula that provides for annual 2.0% increases in benefits, with no benefit reductions for members who retire at age 61 or older. For the Safety Plan B, the benefit structure is a "2.0% at 50" formula that provides benefit increases of 2.0% and no benefit reductions beginning at age 50. To illustrate the potential financial impact of the retirement benefit, a General Plan D member with 35 years of experience can retire at age 61 with benefits equal to approximately 70% of current salary; and a Safety Plan B member with 25 years of experience can retire at age 50 with benefits equal to approximately 50% of current salary.

2012 State Pension Reform

On September 12, 2012, the Governor signed AB 340 into law, which established the California Public Employees' Pension Reform Act of 2013 ("PEPRA") to govern pensions for public employers and public pension plans, effective January 1, 2013. For new employees hired on or after January 1, 2013, PEPRA includes pension caps, equal sharing of pension costs, changes to retirement age, and three-year final compensation provisions. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays, and purchases of service credit.

PEPRA applies to all State and local public retirement systems, including county and district retirement systems created pursuant to the Retirement Law, independent public retirement systems, and to individual retirement plans offered by public employers. PEPRA only exempts the University of California system and certain charter cities and counties whose pension plans are not governed by State law. Because the County's retirement system is governed by the Retirement Law, LACERA is required to comply with the provisions of PEPRA.

As a result of PEPRA, the County implemented General Plan G and Safety Plan C for new hires, effective January 1, 2013. As of June 30, 2023, approximately 44% of the total active general members were enrolled in General Plan G, and 40% of all active safety members were enrolled in Safety Plan C. Based on the June 30, 2023 Actuarial Valuation (the "2023 Actuarial Valuation"), the total employer contribution rate for Fiscal Year 2024-25 for new employees hired on and after January 1, 2013 is 24.15% for General Plan G and 29.84% for Public Safety Plan C. The new employer contribution rates are lower than comparative rates of 24.23% for General Plan D participants and 33.23% for Public Safety Plan B participants. The basic benefit structure of Plan G using the PEPRA funding formula is "2.5% at 67" and provides for annual 2.0% cost of living adjustments during retirement, with no benefit reductions for members who retire at age 61 or older. For Safety Plan C, the benefit structure is a "2.7% at 57" formula that provides for annual 2.0% cost of living adjustments during retirement, with no benefit reductions beginning at age 50. Overall, the implementation of General Plan G and Safety Plan C is expected to result in a slight decrease to the total normal cost rate and an increase in the average member contribution rate, thus resulting in a decrease in the total employer contribution rate.

Contributions

Employers and members contribute to LACERA based on rates recommended by the independent actuary (using the Entry Age Normal Cost Funding Method) and adopted by the Board of Investments of LACERA (the "Board of Investments") and the County's Board of Supervisors. Contributory plan members are required to contribute between 5% and 15% of their annual covered salary. Employers and participating agencies are required to contribute the remaining amounts necessary to finance the coverage of their employees (members) through monthly or annual pre-funded contributions at actuarially determined rates. The annual contribution rates are based on the results of investments and various other factors set forth in the actuarial valuations and investigations of experience, which are described below.

Investment Policy

The Board of Investments has exclusive control of all Retirement Fund investments and has adopted an Investment Policy Statement. The Board of Investments is comprised of four active and retired members and four public directors appointed by the Board of Supervisors. The County Treasurer and Tax Collector serves as an ex-officio member. The Investment Policy Statement establishes LACERA's investment policies and objectives and defines the principal duties of the Board of Investments, investment staff, investment managers, master custodian, and consultants.

Actuarial Valuation

The Retirement Law requires the County to contribute to the Retirement Fund on behalf of employees using rates determined by the plan's independent actuary, which is currently Milliman Consultants and Actuaries ("Milliman"). Such rates are required under the Retirement Law to be calculated at least once every three years. LACERA presently conducts valuations on an annual basis to assess changes in the Retirement Fund's portfolio.

When measuring assets to determine the unfunded actuarial accrued liability ("UAAL"), which is defined as the actuarial accrued liability ("AAL") minus the actuarial value of the assets

of LACERA at a particular valuation date, the Board of Investments has elected to "smooth" gains and losses to reduce the potential volatility of its funding requirements. If in any fiscal year, the actual investment return on the Retirement Fund's assets is lower or higher than the current actuarial assumed rate of return, the shortfall or excess is smoothed, or spread, over a multi-year time period. The impact of this valuation method will result in "smoothed" assets that are lower or higher than the market value of assets depending on whether the remaining amount to be smoothed is either a net gain or a net loss. In December 2009, the Board of Investments adopted the Retirement Benefit Funding Policy (the "2009 Funding Policy"). As a result of the 2009 Funding Policy, the smoothing period to account for asset gains and losses increased from three years to five years.

In addition to annual actuarial valuations, LACERA requires its actuary to review the reasonableness of the economic and non-economic actuarial assumptions every three years. This review, commonly referred to as the Investigation of Experience, is accomplished by comparing actual results during the preceding three years to what was expected to occur according to the actuarial assumptions. On the basis of this review, the actuary recommends whether any changes in the assumptions or methodology would allow a more accurate projection of total benefit liabilities and asset growth.

UAAL and Deferred Investment Returns

In January 2023, Milliman released the 2022 Investigation of Experience for Retirement Benefit Assumptions (the "2022 Investigation of Experience"). The 2022 Investigation of Experience provided the basis for Milliman's recommended actuarial assumptions for the June 30, 2022 Actuarial Valuation (the "2022 Actuarial Valuation") and the 2023 Actuarial Valuation. The key economic assumptions proposed by Milliman remain unchanged from the 2019 Investigation of Experience, which include maintaining the assumed investment rate of return at 7.00%, no changes in the assumed rates for wage growth, payroll growth and price inflation (currently at 3.25%, 3.25% and 2.75%, respectively), and no changes to the base mortality tables. However, Milliman recommended an update to the most recent mortality improvement scale (MP-2021) published by the Society of Actuaries, which will result in higher mortality rate assumptions (shorter life expectancy) for most retired members.

The key changes to other actuarial assumptions and methods recommended by Milliman include updating the rates of assumed merit salary increases; updating the assumed rates of service retirement to reflect a member's length of service in addition to their age; a modification to the actuarial asset smoothing method, which is expected to result in more stable employer contribution rates in future actuarial valuations; and designating the Supplemental Targeted Adjustment for Retirees Program Reserve (the "STAR Program Reserve") as a non-valuation asset.

For the 2022 Actuarial Valuation, LACERA reported a rate of return on Retirement Fund assets of 0.1%, which was lower than the 7.0% assumed rate of return. With the five-year smoothing process, the actuarial value of Retirement Fund assets increased by \$3.802 billion or 5.9% from \$64.909 billion to \$68.712 billion as of June 30, 2022. The 2022 Actuarial Valuation reported that the AAL increased by \$4.422 billion to \$86.320 billion, and the UAAL increased by \$620 million to \$17.609 billion from June 30, 2021 to June 30, 2022. As a result, the Funded Ratio as of June 30, 2022 increased to 79.6% from the prior year Funded Ratio of 79.3%.

The 2022 Actuarial Valuation provides the basis for establishing the contribution rates effective July 1, 2023. The County's required contribution rate will increase from 24.46% to 25.84% of covered payroll in Fiscal Year 2023-24. The components of the 1.38% increase in the employer contribution rate include a 1.88% cost decrease from the actuarial recognition of prior year investment gains, a 1.08% cost increase from the recognition of current year investment losses, and a 2.18% cost increase from actuarial assumptions and methodology changes implemented based on the 2022 Investigation of Experience.

The 2022 Actuarial Valuation does not include \$261 million of net deferred investment gains that will be partially recognized over the next four fiscal years. If the actual market value of Retirement Fund assets was used as the basis for the valuation, the Funded Ratio would have been 79.9% as of June 30, 2022, and the required County contribution rate would be 25.63% for Fiscal Year 2023-24.

For the 2023 Actuarial Valuation, LACERA reported a rate of return on Retirement Fund assets of 6.4%, which was slightly lower than the 7.0% assumed rate of return. With the five-year smoothing process, the actuarial value of Retirement Fund assets increased by \$3.703 billion or 5.4% from \$68.712 billion to \$72.415 billion as of June 30, 2023. The 2023 Actuarial Valuation reported that the AAL increased by \$4.331 billion to \$90.651 billion, and the UAAL increased by \$628 million to \$18.236 billion from June 30, 2022 to June 30, 2023. As a result, the Funded Ratio as of June 30, 2023 increased to 79.9% from the prior year Funded Ratio of 79.6%.

The 2023 Actuarial Valuation provides the basis for establishing the contribution rates effective July 1, 2024. The County's required contribution rate will increase from 25.84% to 25.88% of covered payroll in Fiscal Year 2024-25. The components of the .04% increase in the employer contribution rate include a .55% cost decrease from the actuarial recognition of investment gains, a greater than assumed payroll increase and various other factors, which were offset by a .59% cost increase from greater than assumed salary increases.

The 2023 Actuarial Valuation does not include \$86.887 million of net deferred investment gains that will be partially recognized over the next four fiscal years. If the actual market value of Retirement Fund assets was used as the basis for the valuation, the Funded Ratio would have been 80.0% as of June 30, 2023, and the required County contribution rate would be 25.82% for Fiscal Year 2024-25.

For the eight months ended February 29, 2024, LACERA reported a net gain on Retirement Fund assets of 5.9%, which is below the actuarial assumed investment rate of return of 7.0%. An eight-year history of the County's UAAL is provided in Table 1 ("Retirement Plan UAAL and Funded Ratio"), and a summary of investment returns for the prior eight years is presented in Table 2 ("Investment Return on Retirement Plan Assets") at the end of this Information Statement section.

Pension Funding

Since Fiscal Year 1997-98, the County has funded 100% of its annual actuarially required contribution to LACERA. In Fiscal Years 2020-21, 2021-22 and 2022-23, the County's total contributions to the Retirement Fund were billion, \$1.971 billion, \$2.150 billion and \$2.243 billion, respectively. In Fiscal Year 2023-24, the County's retirement contribution payments to LACERA are estimated to be \$2.440 billion, which would represent an 8.8% or \$197.375 million increase from Fiscal Year

2022-23. For Fiscal Year 2024-25, the County is projecting retirement contribution payments to LACERA of \$2.636 billion.

A summary of actual and projected County pension payments to LACERA for the eight-year period ending June 30, 2025 is presented in Table 3 ("County Pension and OPEB Payments") at the end of this Information Statement section.

STAR Program

The STAR Program is a discretionary program that provides a supplemental cost-of-living increase from excess earnings to restore retirement allowances to 80% of the purchasing power held by retirees at the time of retirement. As of June 30, 2022, \$614 million was available in the STAR Program Reserve to fund future benefits. Under the 2009 Funding Policy, the entire STAR Program Reserve was included in the Retirement Fund's valuation assets. However, there was no corresponding liability for any STAR Program benefits in the annual Actuarial Valuations that may be granted in the future. Based on the 2022 Investigation of Experience, Milliman recommended excluding the STAR Program Reserve from valuation assets commencing with the 2022 Actuarial Valuation. As of June 30, 2023, the balance of the STAR Program Reserve was \$611.5 million.

Pension Accounting Standards

In June 2012, the Governmental Accounting Standards Board ("GASB") issued new statements to replace the previous pension accounting and reporting requirements for defined pension benefit plans such as LACERA, and employers such as the County. GASB Statement No. 67, Financial Reporting for Pension Plans, replaced the requirements of GASB Statement No. 25 and is focused on pension plan administrators such as LACERA. GASB 67 was implemented with the issuance of LACERA's Fiscal Year 2013-14 financial statements and expanded the pension-related note disclosures and supplementary information requirements.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, replaced the requirements of GASB Statement No. 27 and is focused on employers that provide defined pension benefits such as the County. GASB 68 was implemented with the issuance of the County's Fiscal Year 2014-15 financial statements. Although GASB 68 did not materially affect the existing process for calculating the UAAL, it requires the County to recognize its proportionate share of LACERA's Net Pension Liability directly on the Statement of Net Position (government-wide balance sheet). The requirement to recognize a liability in the financial statements represented a significant and material change from the previous standards, which only required the disclosure of such amounts in the notes to the financial statements. GASB 68 also included additional reporting requirements, which expanded the pension-related note disclosures and supplementary information requirements.

The GASB 68 pension standards are only applicable to the accounting and reporting for pension benefits in the County's financial statements. Accordingly, there will be no impact on the County's existing statutory obligations and policies to fund pension benefits. For the Fiscal Year ended June 30, 2023 the County reported a Net Pension Liability of \$13.161 billion, which represents a \$6.131 billion increase from the \$7.030 billion Net Pension Liability reported as of June 30, 2022. The June 30, 2023 Net Pension Liability was calculated based on the 2022 Actuarial Valuation.

Other Postemployment Benefits (OPEB)

LACERA administers a retiree health care benefits program for retirees under an agreement with the County. The program includes medical, dental, vision and life insurance benefit plans for over 88,000 retirees or survivors and their eligible dependents. The Board of Retirement reserves the right to amend or revise the medical plans and programs under the retiree health program at any time. County payments for postemployment benefits are calculated based on the employment service credit of retirees, survivors, and dependents. For eligible members with 10 years of service credit, the County pays 40% of the health care plan premium. For each year of service credit beyond 10 years, the County pays an additional 4% of the plan premium, up to a maximum of 100% for a member with 25 years of service credit.

The County reached an agreement with CCU and SEIU to add a new tier of retiree healthcare benefits for employees who began County service on or after July 1, 2014. Under the new agreement, the County will provide paid medical coverage at the retiree only premium level and not at the current level of full family coverage. The retiree will have the option to purchase coverage for dependents, but the County will only provide a financial subsidy to the retiree. In addition, Medicare-eligible retirees will be required to enroll in Medicare, with the County subsidy based on a Medicare supplement plan. The same vesting rights and years of service crediting formula of 40% after 10 years and 100% after 25 years will continue to apply to the new tier. The agreement will not affect current retirees or current employees hired prior to July 1, 2014. The new retiree healthcare benefit tier is projected to save an estimated \$840 million over the next 30 years and reduce the unfunded liability for retiree healthcare by 20.8%. The agreement was approved by the Board of Retirement and by the Board of Supervisors in June 2014.

In May 2012, the Board of Supervisors approved the establishment of a tax-exempt OPEB trust pursuant to a Trust and Investment Services Agreement (the "OPEB Trust") between LACERA and the County. In accordance with the OPEB Trust, the LACERA Board of Investments will function as the trustee and investment manager, and the Board of Supervisors will have exclusive discretion over the amount of contributions and/or transfers the County may invest or allocate to the OPEB Trust. In Fiscal Year 2012-13, the County transferred \$448.8 million from the County Contribution Credit Reserve maintained with LACERA for the initial funding of the OPEB Trust. The transfer from the County Contribution Credit Reserve represented the accumulated balance of the County's proportionate share of excess earnings distributions from the Retirement Fund from Fiscal Years 1994 through 1998.

On June 22, 2015, the Board of Supervisors approved a multi-year plan to begin pre-funding the County's unfunded OPEB liability (the "OPEB Pre-funding Plan"). The OPEB Pre-funding Plan requires the County to reach full funding of the OPEB annual required contribution ("ARC") by incrementally increasing the annual contribution to the OPEB Trust. The County intends to comply with the OPEB Pre-funding Plan by incrementally increasing its OPEB funding by approximately \$60 million per year, which includes an annual \$25 million increase in the Net County Cost ("NCC") contribution from the General Fund and a \$35 million annual increase funded by subvention revenue.

In accordance with the OPEB Pre-funding Plan, the County contributed \$309.4 million, \$372.2 million and \$441.5 million to the OPEB Trust in Fiscal Years 2020-21, 2021-22 and 2022-23,

respectively. For Fiscal Years 2023-24 and 2024-25, the County is projecting contributions to the OPEB Trust in the amounts of \$503.4 million and \$570.3 million, respectively. Based on current projections for the OPEB Pre-funding Plan, the OPEB ARC will be fully funded by Fiscal Year 2027-28.

As of February 29, 2024, the balance of the OPEB Trust was \$3.588 billion. For the eight months ended February 29, 2024, LACERA reported a net gain on OPEB Trust Fund assets of 7.3%.

Investment Policy

The LACERA Board of Investments has exclusive control of all OPEB Trust Fund investments and has adopted an Investment Policy Statement. The Board of Investments is comprised of four active and retired members and four public directors appointed by the Board of Supervisors. The County Treasurer and Tax Collector serves as an ex-officio member. The Investment Policy Statement establishes LACERA's investment policies and objectives and defines the principal duties of the Board of Investments, investment staff, investment managers, master custodian, and consultants.

OPEB Accounting Standards

In June 2015, GASB issued Statement No. 74 and Statement No. 75, which replaced previous OPEB accounting and reporting requirements for entities that administer OPEB plans (LACERA) and employers (the County).

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, replaced the requirements of GASB Statement No. 43 and is focused on the OPEB plan administrator (LACERA). GASB 74 was implemented with the issuance of LACERA's Fiscal Year 2016-17 financial statements and expanded the required OPEB-related note disclosures and supplementary information.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaced the requirements of GASB Statement No. 45 and is focused on employers (the County) providing defined OPEB benefits. GASB 75 was implemented with the issuance of the County's Fiscal Year 2017-18 financial statements. Although GASB 75 did not materially affect the existing process used to calculate the County's UAAL, it did require the County to recognize the full amount of net OPEB liabilities directly on the Statement of Net Position (government-wide balance sheet). The net OPEB liability is the difference between the total OPEB liability (the present value of projected OPEB benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) held by LACERA to pay OPEB benefits. There are also new requirements which expanded the existing OPEB-related note disclosures and supplementary information.

The requirement from GASB 75 to recognize the full amount of net OPEB liabilities in the financial statements is a substantive and material change to the previous standards. Prior accounting standards only required recognition of OPEB liabilities to the extent that OPEB funding was less than the actuarially determined amount. As of June 30, 2023, the County reported a Net OPEB Liability of \$23.541 billion, which represented a \$2.073 billion or 8.1% decrease from the \$25.524 billion OPEB liability reported as of June 30, 2022. The June 30, 2023 Net OPEB Liability was calculated based on the July 1, 2021 OPEB Actuarial Valuation. The revised GASB OPEB standards are only applicable to accounting and reporting for OPEB benefits in

the County's financial statements. Accordingly, there is no impact on the County's existing statutory obligations and policies to fund the OPEB benefits.

OPEB Actuarial Valuation

In order to comply with the requirements of GASB 74 and GASB 75, LACERA engaged Milliman to complete actuarial valuations of OPEB liabilities for the LACERA plans. In their OPEB valuations, Milliman has provided a determination of the AAL for LACERA's health, dental, vision and life insurance benefit plans. The County's members comprise approximately 95% of LACERA's retiree population and the County is responsible for this percentage of OPEB costs. The 5% of LACERA retirees who do not contribute to the County's OPEB liability are predominantly members of the Los Angeles Superior Court. The demographic and economic assumptions used in the OPEB valuations are modeled on the assumptions used by LACERA for its pension program. The healthcare cost assumptions are based on discussions with other consultants and actuaries used by the County, LACERA and labor groups.

OPEB Contributions

In Fiscal Years 2020-21, 2021-22 and 2022-23, the total pay as you go payments from the County to LACERA for retiree health care benefits were \$668.6 million, \$692.6 million and \$713.0, respectively. In Fiscal Year 2023-24, pay as you go contributions to LACERA for OPEB are estimated to be \$760.0 million, which would represent a 6.6% or \$46.9 million increase from Fiscal Year 2022-23. For Fiscal Year 2024-25, the County is projecting pay as you go payments to LACERA of \$838.6 million.

Long-Term Disability Benefits

In addition to its Retiree Healthcare Plan, the County administers a Disability Benefits Plan ("DBP") that is separate from LACERA. The DBP covers employees who become disabled as a direct result of an injury or disease while performing assigned duties. Generally, the long-term disability plans included in the DBP provide employees with a basic monthly benefit of between 40% and 60% of such employee's monthly compensation, commencing after 6 months of disability. The benefits under these plans normally terminate when the employee is no longer totally disabled or turns age 65, whichever occurs first. The health plans included in the DBP generally cover qualified employees who are sick or disabled and provide for the payment of a portion of their medical premiums.

The County has determined that the liability related to long-term disability benefits is an additional OPEB liability, which is reported as a component of the Net OPEB Liability in the Annual Comprehensive Financial Report. In Fiscal Years 2020-21, 2021-22 and 2022-23, the County made total DBP payments of \$38.7 million, \$39.9 million and \$40.6, respectively. In Fiscal Year 2023-24, the County is estimating total DBP payments in the amount of \$41.7 million. For Fiscal Year 2024-25, the County is projecting total DBP payments of \$46.9 million. As of June 30, 2023, the County's total net OPEB liability of \$24.741 billion included \$23.451 billion for retiree healthcare and \$1.289 billion for long-term disability benefits. The OPEB liability for long-term disability benefits was determined based on an actuarial valuation as of July 1, 2021.

LITIGATION (To Be Updated)

The County is routinely a party to various lawsuits and administrative proceedings. The following are summaries of certain pending legal proceedings or potential contingent liabilities, as reported by the Office of the County Counsel. A further discussion of certain legal matters that directly affect the budget and the revenue generating powers of the County is provided in the Budgetary Information section of Appendix A.

AB 218 Cases

The Child Victims Act (AB 218), which became effective January 1, 2020, among other things, extended the statute of limitations for commencing an action for recovery of damages suffered as a result of childhood sexual assault to 22 years from the date the plaintiff attains the age of majority or within five years of the date the plaintiff discovers or reasonably should have discovered that the psychological injury or illness occurring after the age of majority was caused by sexual assault, whichever is later. In addition, AB 218 provided for the revival of certain claims that were previously barred and excluded certain claims from the procedures set forth in the Government Claims Act. As of May 12, 2023, the County has been served with approximately 782 lawsuits involving approximately 2,324 plaintiffs (whose age ranges from 22 to 70 years old), who allege they were sexually assaulted while in Department of Children and Family Services and/or Probation Department placements from 1959 to 2019. The alleged perpetrators include foster parents, family members of foster parents, County employees, staff or residents from group home facilities, including MacLaren Children's Center, which is a temporary housing facility that closed in 2003, and various probation camps and halls. The County anticipates that approximately 1,300 additional lawsuits will be served based on reports received of cases that have been filed but not yet served. Based on the cases that have been filed to date (both served and remaining to be served based on received reports), the County preliminarily estimates that liability and settlement costs may range between \$2.1 billion to more than \$3 billion. The amount and timing of payments are dependent upon the outcome of the lawsuits, most of which are in the early stages. For cases that have been served, the County is currently estimating that liability of approximately \$940 million could be realized in Fiscal Year 2023-24, and approximately \$1.2 billion could be realized in Fiscal Year 2024-25 and thereafter. The County cannot predict how many additional claims will be received, and when and the extent to which liability will be incurred in any particular year.

Wage and Hour Cases

In March 2019, the Service Employees International Union, Local 721 filed a lawsuit seeking to enforce an October 2018 arbitrator's decision against the County holding that certain classes of Eligibility Workers in the Department of Public Social Services were not properly paid "bonus pay" going back to 2004. Legal arguments have been submitted and the court will hear plaintiffs' motion to confirm arbitration award on December 5, 2023. Based on preliminary estimates, the County may face a potential liability of \$15 million.

Public Safety Cases

In September 2019, a lawsuit was filed (*Art Hernandez et al. v. County of Los Angeles, et al.*) by eight Sheriff's Department deputies alleging that they were retaliated against and harassed by other deputies who are members of the "Banditos" subgroup. The claims include California Fair Employment and Housing Act ("FEHA") retaliation, harassment, and hostile work environment;

Labor Code retaliation; assault and battery; intentional infliction of emotional distress; and negligent hiring, training, supervision, and retention. Individual plaintiffs have also alleged that the County has engaged in civil rights violations by permitting "a larger pattern of tolerance and endorsement of unconstitutional and unlawful conduct of deputies." The plaintiffs brought in the American Civil Liberties Union Foundation of Southern California in March 2021, adding numerous Sheriff's Department deputies as defendants. On May 3, 2023, the court granted in part and denied in part the County's motion for summary judgment. Although the potential liability is unknown at this time, the plaintiffs' settlement demand at the last mediation session in September 2022 was approximately \$40 million. The matter is currently set for trial in October 2023. Other lawsuits have been filed based on similar allegations of misconduct related to deputy subgroup activity. Several of these cases have gone to trial and reached judgment or tentative settlement in amounts ranging from \$250,000 to \$400,000. The potential liability for the remaining cases is unknown at this time.

In August 2020, a proposed class action was filed (*Krizia Berg et al. v. County of Los Angeles, et al.*) by individuals involved in protests against police violence that took place in 2020. The deadline to file a motion for class certification is June 30, 2023, with a hearing date of September 15, 2023. Plaintiffs allege civil rights violations based on excessive force/false arrest and improper use of "less-lethal force" by Sheriff's Department deputies. Plaintiffs are seeking injunctive relief prohibiting use of "less-lethal" force on protestors as well as damages. On July 6, 2021, the court entered a preliminary injunction enjoining the use of "less-lethal" weapons by the Sheriff's Department and requiring the issuance of warnings prior to the use of "less-lethal" weapons whenever feasible. On July 30, 2021, the plaintiffs filed a second amended complaint seeking a permanent injunction against the Sheriff's Department as well as damages. The case has been referred to private mediation to be completed by January 24, 2024. The matter is currently set for trial on March 5, 2024. The case is in the discovery phase and the potential liability is unknown at this time pending the court's ruling on class certification.

On September 17, 2020, Vanessa Bryant, widow of Kobe Bryant, filed a lawsuit (*Vanessa Bryant v. County of Los Angeles, et al.*) alleging that eight Sheriff's Department deputies took and shared unauthorized photos of victims' remains from the helicopter crash that killed her husband, their daughter, and seven others. Ms. Bryant sought damages for and alleged violations of her civil rights and for intentional infliction of emotional distress, invasion of privacy, failure to prevent personnel from taking unauthorized photos, and failure to adequately investigate the deputies' misconduct. Three other plaintiffs who had family members perish in the same crash also filed lawsuits against the County. Two plaintiffs settled their claims in Fiscal Year 2021-22. One of the two remaining plaintiffs, Cristopher Chester, settled his claims for \$19.95 million, which was paid in Fiscal Year 2022-23. On February 28, 2023, the County agreed to settle Ms. Bryant's claims for \$28.85 million, which includes \$15 million previously awarded to the plaintiff by a jury in a separate trial. The Board of Supervisors approved the settlement in November 2022, and the settlement was paid in Fiscal Year 2022-23.

In February 2022, a potential Federal class action lawsuit was filed (*Agustin Herrera v. County of Los Angeles, et al.*) alleging unsafe and uninhabitable conditions for the youth housed at the County's juvenile hall facilities. The proposed class includes all current and former youth detainees born on or after February 15, 2002. The plaintiff contends the class allegations extend

back to approximately 2014. If the class is certified, the County estimates it will consist of approximately 7,000 members. The case is in the early stages of discovery and the potential liability is unknown at this time. The matter is currently set for trial in April 2024.

Social Services Cases

In July 2020, *Evangelina Hernandez et. al. v. County of Los Angeles, et al.* was filed, arising out of the child-abuse related death of a four-year old boy in Palmdale, California in July 2019. The plaintiffs (the child's great-grandmother and three surviving siblings) have sued two named defendants and allege that DCFS failed to follow court orders, adequately investigate alleged abuse, and take the child into protective custody. The County participated in early mediation efforts in January 2021 but did not reach a resolution. In January 2022, the court sustained the non-County defendant's demurrer without leave to amend, thereby dismissing that defendant; however, the plaintiffs successfully appealed the ruling. The County anticipates plaintiffs will seek \$40-50 million in damages, however the County expects its apportionment of liability, if any, to be less.

Other Cases

A lawsuit was filed in March 2020 by LA Alliance for Human Rights ("LA Alliance") against the City of Los Angeles (the "City") and the County alleging that the City and the County have not taken adequate action to address the homelessness crisis in Los Angeles. Initially, the parties agreed to stay formal litigation in an effort to negotiate a settlement. In June 2020, the court approved an agreement between the City and the County to fund housing/shelter and services for a segment of the homeless population in the City. The City agreed to provide 6,700 beds within 18 months to house or shelter people experiencing homelessness within 500 feet of freeway overpasses, underpasses and ramps. To assist in funding services for 6,000 new beds, the County agreed to pay the City \$53 million for Fiscal Year 2020-21 and up to \$60 million per year for the following four years, for a total cost of \$293 million. To date, the County has paid the City \$173 million, and the next payment of up to \$60 million is due by July 1, 2023. The County agreed to pay the City a one-time bonus of \$8 million if the City provided 5,300 new beds by April 16, 2021. However, an audit conducted by the Auditor-Controller's Office concluded the City did not meet the bonus threshold by that date.

In April 2021, the district court issued a preliminary injunction ordering the City and County to house all people experiencing homelessness in Skid Row within 180 days and to provide funding for additional supportive services and operations countywide. The City, County, and intervenors filed appeals and in September 2021, the Ninth Circuit vacated the district court's preliminary injunction and remanded the case. In November 2021, the plaintiffs filed an amended complaint and the County and City filed motions to dismiss. While the ruling on the motions was pending, the City and the plaintiffs reached a settlement. In July 2022, the plaintiffs filed a second amended complaint against the County only. In September 2022, the County reached an agreement with the plaintiffs to resolve the lawsuit and the parties notified the court of the settlement and requested a dismissal. At the settlement hearing in January 2023, the parties indicated their interest in reviewing and potentially increasing resources for people experiencing homelessness as part of the settlement. In April 2023, the parties filed an addendum to the settlement pursuant to which the County would commit up to an estimated \$850.5 million in additional resources over five years through Fiscal Year 2026-

27. On April 20, 2023, the court denied the parties' request to dismiss the lawsuit and placed the matter back on the litigation track. On May 3, 2023, the County filed a motion to dismiss the operative complaint, which will be heard in June 2023. The matter is currently set for trial on November 6, 2023.

In December 2017, the County filed an eminent domain action, *County of Los Angeles v. 8400 S. Vermont Avenue*, to condemn 16 parcels for the Vermont and Manchester Transit Priority Joint Development Project. The County was successful in the taking of the property, but the defendant contested whether the County had provided just compensation. The County valued the property at \$18 million, and previously deposited that amount. On August 26, 2022, the trial concluded, and the County was ordered to pay \$39 million. The County paid the remaining balance of \$21 million in Fiscal Year 2022-23.

In December 2020, the Coalition of County Unions filed a petition for writ of mandate (*Coalition of County Unions et al. v. Board of Supervisors et al.*) alleging that Measure J, a charter amendment approved by County voters in the November 3, 2020 General Election requiring the County to set aside at least 10% of the "locally generated unrestricted revenues in the general fund (Net County Cost)" for Direct Community Investment and Alternatives to Incarceration, violates the State's County Budget Act and California Constitution. In June 2021, the Superior Court ruled that Measure J is unconstitutional. The County is appealing the ruling and anticipates a decision in late 2023. The court's ruling held that its decision does not prohibit the current Board of Supervisors or any future Board from adopting a budget in line with Measure J's provisions. Since the decision had no impact on the Board of Supervisor's authority to approve the types of investments set forth in Measure J, the County has adopted the Care First and Community Investment budget policy, which contains the same 10% set-aside set forth in Measure J.

In November 2021, a class action lawsuit was filed (*People of Los Angeles Who Are Unhoused, Who Reside in Vehicles on Pacific Coast Highway, et al. v. Alejandro Villanueva, et al.*) against Sheriff Villanueva, the Board of Supervisors, and various unknown Sheriff's Department deputies, on behalf of unhoused individuals who live in their vehicles along the Pacific Coast Highway ("PCH"). The lawsuit challenges parking restrictions that require individuals to move their vehicles from one side of PCH to the other in the middle of the night, and alleges the restrictions are unconstitutional. In December 2021, an amended master complaint was filed that combines multiple actions, including "related" actions against the City and the County, and includes additional individually named plaintiffs. In January 2022, the County filed a motion to dismiss the plaintiffs' amended master complaint, and in August 2022 the court issued an order dismissing the County from the lawsuit with prejudice. In September 2022, the plaintiffs filed a second amended complaint against the County and various parties, and the County filed a motion to dismiss the amended complaint. The court heard oral arguments in October 2022 but has not yet issued a ruling. The case is in the early stages and the County is unable to determine the potential liability at this time.

In August 2021, a lawsuit was filed (*GHP Management Corp., et al. v. County of Los Angeles, et al.*) by eleven lessors/landlords of residential rental housing against the County and the State of California, alleging that the defendants' eviction moratoria, including the County's eviction moratorium, are an unlawful regulatory and per se taking of property, claiming violations of the Fifth Amendment of the United States Constitution under 42 U.S.C. § 1983. The plaintiffs seek monetary compensation for the allegedly unlawful taking. In April 2022, the court overruled

the defendants' demurrers and discovery in the matter is proceeding. A similar ruling was made by the same court in the related case of *Casa Greene, Inc. v. State of California, et al.*, in which the County is also a party. The County, along with other defendants, have filed writ petitions with the Court of Appeal challenging the trial court's overruling of the demurrers, which could also have a dispositive effect on the demurrer ruling in this matter. The plaintiffs' complaint alleges rent losses in excess of \$11 million and asserts they are entitled to just compensation exceeding \$50 million. However, the County expects its apportionment of liability, if any, to be substantially less.

In October 2021, the first of what is now over 60 related mass tort actions, involving more than 21,000 plaintiffs, was filed against numerous public and private defendants, including the County of Los Angeles and the Los Angeles County Flood Control District ("Flood Control District"). These lawsuits are collectively known as *Monique Alvarez, et al. v. Prologic, Inc., et al.* These lawsuits arose from a three-day fire in the City of Carson ("Carson") in late September 2021 at an industrial warehouse, which stored large amounts of "hand sanitizer" containing toxic chemicals. The water and fire retardant used to put out the fire washed the chemicals into the storm drain system, causing them to be conveyed into the Dominguez Channel, an estuary owned and operated by the Flood Control District. The toxic chemicals resulted in the Dominguez Channel experiencing a condition known as "anaerobic digestion," which caused odor-producing hydrogen sulfide gas to be released into the air over Carson and its surrounding communities. In early October 2021, a substantial number of residents began complaining of pervasive, foul-smelling odors and of associated short-term adverse effects, including sore throats and headaches. Responding to the conditions in the Dominguez Channel and the resultant odors, the Los Angeles County Department of Public Works initiated aggressive mitigation efforts, which involved applying odor neutralizer to the water and oxygenating it through the use of nano-bubblers. The "odor incident" (a declared public nuisance) lasted for roughly six to eight weeks. The various plaintiffs' lawsuits (which were deemed related by the Los Angeles Superior Court) allege that the Flood Control District and the County are liable for personal injury damages (based on tort and public nuisance theories), as well as for property damage (based on inverse condemnation). The Flood Control District and the County have, to date, sued the company that stored the hand sanitizer and its landlord (the "industrial defendants"), to recover over \$52 million expended in mitigating the impacts of the incident, including providing air purifiers (over 47,000) and hotel rooms to affected residents. The Flood Control District and the County will file cross-actions for indemnity against the industrial defendants in responding to the plaintiffs' lawsuits. Regarding the tort claims, given the tens of thousands of plaintiffs, even if each class member obtains a relatively small recovery, the potential exposure in the aggregate could still be substantial. Regarding the inverse condemnation claims, if liability were established at trial, the plaintiffs could recover damages for the "diminution in value" of their residential properties, plus attorneys' fees and costs. This could, similarly, result in a potentially large liability exposure for the Flood Control District, as the operator of the Dominguez Channel. However, the Flood Control District and the County are expected to assert numerous statutory immunities and assert that the industrial defendants are solely responsible for causing the fire and the ensuing public nuisance, as well as for any resultant damages, such that any liability should be allocated to those entities alone. The cases remain at the pleading phase, with multiple demurrers scheduled over the next few months. The Court has not yet allowed discovery, so no specific information is yet known about either the circumstances of the 21,000 plaintiffs or of their claims. Given these uncertainties, the

preliminary estimate is that the County may face a potential liability of \$90 million.

In May 2022, two lawsuits were filed (*Southern California Edison v. State Board of Equalization, et al.*) by Southern California Edison ("SCE") alleging the State Board of Equalization ("BOE") overvalued SCE's statewide unitary property in tax years 2020 and 2021, due to factors including climate change and the risk of wildfires. SCE is seeking a reduction of approximately \$5 billion in valuation per tax year. Unitary property is assessed by the BOE but counties levy and collect local property taxes on unitary property and distribute the tax revenue among local taxing entities within each county. If granted by the court, SCE's requested valuation reduction would result in estimated refunds from taxing entities within Los Angeles County of approximately \$40 million, of which the County and County-controlled taxing entities would be responsible for refunding approximately \$18 million.

The County currently operates two juvenile halls, Central Juvenile Hall and Barry J. Nidorf Juvenile Hall (collectively, the "Existing Juvenile Halls"), which house predisposition and post-disposition youth. On May 23, 2023, the Board of State and Community Corrections ("BSCC") determined that the Existing Juvenile Halls were unsuitable for the confinement of predisposition youth; the determination did not affect post-disposition youth. As a result, the County will reopen a third facility, Los Padrinos Juvenile Hall ("Los Padrinos"), and relocate the approximately 275 predisposition youth to such facility within 60 days of the BSCC action. The County has accounted for the costs associated with the relocation of the predisposition youth population, which is the subject of both the BSCC determination and an existing settlement agreement between the County and the California Department of Justice (the "DOJ"), by, among other things, setting aside an estimated \$111 million for the refurbishment of Los Padrinos. Such amounts are included in the County's 2023-24 Recommended Budget or otherwise on deposit in existing trust funds and will be made available for use. The County has commenced physical improvements to Los Padrinos and has commenced undertaking contracts intended to result in completion of required improvements before the applicable BSCC and DOJ deadlines. No assurance can be given that necessary improvements to Los Padrinos will be completed within the contemplated timeframe or that BSCC or DOJ will not take other actions relative to the confinement of predisposition or post-disposition youth in the County. The County does not expect amounts relating to the relocation described herein to materially impair its ability to pay the Notes.

Pending Litigation

There are a number of other lawsuits and claims pending against the County. In the opinion of the County Counsel, such suits and claims that are presently pending will not impair the ability of the County to make debt service payments or otherwise meet its outstanding lease or debt obligations.

TABLE 1: RETIREMENT PLAN UAAL AND FUNDED RATIO

(in thousands)

Actuarial Valuation Date	Market Value of Plan Assets	Actuarial Value of Plan Assets	Actuarial Accrued Liability	UAAL	Funded Ratio
06/30/2016	47,846,694	49,357,847	62,199,214	12,841,367	79.35%
06/30/2017	52,743,651	52,166,307	65,310,803	13,144,496	79.87%
06/30/2018	56,299,982	55,233,108	68,527,354	13,294,246	80.60%
06/30/2019	58,294,837	57,617,288	74,635,840	17,018,552	77.20%
06/30/2020	58,510,408	59,762,991	78,275,175	18,512,184	76.35%
06/30/2021	73,012,026	64,909,377	81,898,044	16,988,667	79.26%
06/30/2022	70,289,612	68,711,610	86,320,151	17,608,541	79.60%
06/30/2023	73,851,886	72,414,936	90,651,092	18,236,156	79.88%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2023.

TABLE 2: INVESTMENT RETURN ON RETIREMENT PLAN ASSETS

(in thousands)

Fiscal Year	Market Value of Plan Assets	Market Rate of Return	Funded Ratio Based on Market Value
2015-16	47,846,694	0.8%	76.1%
2016-17	52,743,651	12.7%	80.0%
2017-18	56,299,982	9.0%	81.3%
2018-19	58,294,837	5.5%	77.3%
2019-20	58,510,408	1.8%	74.0%
2020-21	73,012,026	25.2%	88.3%
2021-22	70,289,612	0.1%	79.9%
2022-23	73,851,886	6.4%	80.0%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2023.

TABLE 3: COUNTY PENSION AND OPEB PAYMENTS

(in thousands)

Fiscal Year	Payments to LACERA			OPEB Disability	Total Retirement & OPEB Payments
	Retirement Fund	OPEB (PAYGO)	OPEB (Prefund)		
2017-18	1,499,212	559,233	120,796	41,141	2,220,382
2018-19	1,635,719	604,515	182,851	41,626	2,464,711
2019-20	1,766,735	634,753	246,197	42,567	2,690,252
2020-21	1,971,006	668,582	309,394	38,715	2,987,697
2021-22	2,150,155	692,616	372,243	39,902	3,254,916
2022-23	2,242,925	713,034	441,452	40,607	3,438,018 *
2023-24	2,440,300 *	759,937 *	503,393 *	41,683 *	3,745,313 *
2024-25	2,636,161 *	838,564 *	570,280 *	46,929 *	4,091,934 *

Source: Milliman Actuarial Valuations (of LACERA), Los Angeles County Annual Comprehensive Financial Reports and the Los Angeles County Chief Executive Office.

* Estimated

BUDGETARY INFORMATION

COUNTY BUDGET PROCESS

The County is required by California State Law to adopt a balanced budget by October 2nd of each year. The CEO of the County prepares a preliminary forecast of the County budget based on the current year budget, the State budget, and other projected revenue and expenditure trends. Expanding on this forecast, the CEO prepares a target County budget for the ensuing fiscal year, and projected resources are tentatively allocated to the various County programs and services.

The CEO normally presents the Recommended County Budget to the Board of Supervisors in April. The Board of Supervisors is required to adopt a Recommended Budget no later than June 30th. If a final County Budget is not adopted by June 30th, the appropriations approved in the Recommended Budget, with certain exceptions, become effective for the new fiscal year until the final budget is approved.

The CEO generally recommends revisions to the County Budget after adoption of the final State budget to align County expenditures with approved State funding. After conducting public hearings and deliberating on the details of the budget, the Board of Supervisors is required to adopt the Final County Budget by October 2nd of each year.

Throughout the remainder of the fiscal year, the Board of Supervisors approves various adjustments to the Final County Budget to reflect changes in appropriation requirements and funding levels. The annual revenues from the State and Federal governments are generally allocated pursuant to formulas specified in State and Federal statutes. For budgetary or other reasons, such statutes are often subject to change that may affect the level of County revenues and budgetary appropriations.

COUNTY BUDGET OVERVIEW

The County Budget is comprised of eight fund groups through which the County's resources are allocated and controlled. These groups include the General Fund and Hospital Enterprise Fund (which represents the General County Budget), Special Revenue Funds, Capital Project Special Funds, Special District Funds, Other Enterprise Funds, Internal Service Fund, and Fiduciary Fund.

The General County Budget accounts for 77.8% of the Fiscal Year 2024-25 Recommended Budget (the "2024-25 Recommended Budget") and appropriates funding for programs that are provided on a mostly county-wide basis (e.g., health care, welfare, and detention facilities), municipal services to the unincorporated areas not otherwise included in a special district, and certain municipal services to various cities on a contract fee-for-service basis (e.g., law enforcement, planning and engineering).

Special Revenue Funds represent 10.8% of the 2024-25 Recommended Budget and are used to account for the allocation of revenues that are restricted to defined purposes, such as public library operations, road construction and maintenance programs, specific automation projects and Measure H – Los Angeles County Plan to prevent and combat homelessness.

Capital Project Special Funds account for 1.1% of the 2024-25 Recommended Budget and provide funding for the acquisition or construction of major capital facilities that are not financed through other funding sources.

Special District Funds, which account for 7.2% of the 2024-25 Recommended Budget, are separate legal entities funded by specific taxes and assessments. These districts provide public improvements and/or services benefiting targeted properties and residents. Special Districts are governed by the Board of Supervisors and include, among others, Flood Control, Garbage Disposal, Sewer Maintenance and Regional Park and Open Space Districts. The remaining fund groups, Other Enterprise, Internal Services and Fiduciary Funds account for 3.1% of the 2024-25 Recommended Budget.

CONSTITUTIONAL PROVISIONS AFFECTING TAXES AND APPROPRIATIONS

Proposition 13

Article XIII A of the California Constitution limits the taxing powers of California public agencies. Article XIII A provides that the maximum ad valorem tax on real property cannot exceed 1% of the Full Cash Value of the property, and effectively prohibits the levying of any other ad valorem property tax except for taxes required to pay debt service on voter-approved general obligation bonds. Full Cash Value is defined as the County Assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.

The Full Cash Value is subject to annual adjustment to reflect inflation at a rate not to exceed 2%, or a reduction as shown in the consumer price index (or comparable local data), or a decline in property value caused by damage, destruction or other factors. The foregoing limitation does not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on certain types of indebtedness approved by the voters.

Article XIII B of the California Constitution limits the amount of appropriations by local governments to "Proceeds of Taxes." The County's appropriation limit for Proceeds of Taxes for Fiscal Year 2023-24 is \$33,790,302,437. The 2023-24 Adopted Budget includes proceeds from taxes of \$18,008,481,000, which is substantially below the statutory limit.

Proposition 62

Proposition 62, a 1986 ballot initiative that amended the California Constitution, requires voter approval of all new taxes or any increases to local taxes. A challenge to taxes subject to Proposition 62 may only be made for those taxes collected beginning one year before a claim is filed. Such a claim is a prerequisite to the filing of a lawsuit against a public entity in California.

Proposition 218

Proposition 218, a 1996 ballot initiative that added Articles XIIC and XIID to the California Constitution, established the following requirements on all taxes and property-related assessments, fees, and charges:

- precluded special purpose districts or agencies, including school districts, from levying general taxes;
- precluded any local government from imposing, extending or increasing any general tax unless such tax is approved by a majority of the electorate;
- precluded any local government from imposing, extending or increasing any special purpose tax unless such tax is approved by two-thirds of the electorate; and
- ensured that voters may reduce or repeal local taxes, assessments, or fees through the initiative process.

An Appellate Court decision determined that Proposition 218 did not supersede Proposition 62. Consequently, voter approval alone may not be sufficient to validate the imposition of general taxes adopted, increased or extended after January 1, 1995.

Proposition 218 also expressly extends to voters the power to reduce or repeal local taxes, assessments, and fees through the initiative process, regardless of the date such charges were imposed. SB 919, the Proposition Omnibus Implementation Act, was enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions to comply with Proposition 218. SB 919 states that the initiative power provided for in Proposition 218 shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after November 6, 1998, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by the United States Constitution.

In the 2006 case of *Bighorn-Desert View Water Agency v. Virjil (Kelley)*, the State Supreme Court suggested that the initiative power under Proposition 218 is not free of all limitations and could be subject to restrictions imposed by the Contract Clause of the United States Constitution. No assurance can be given, however, that voters in the County will not, in the future, approve an initiative that reduces or repeals local taxes, assessments, fees or charges that are deposited into the County's General Fund. In addition, "fees" and "charges" are not defined by Article XIIC or SB 919, and the scope of the initiative power under Article XIIC could include all sources of General Fund revenue not received from or imposed by the Federal or State government or derived from investment income.

Proposition 1A 2004

Proposition 1A 2004, approved by the voters in November 2004, amended the State Constitution by limiting the State's authority to reduce local sales tax rates or alter their method of allocation, shift property tax revenues from local governments to schools or community college districts, or decrease Vehicle License Fee ("VLF") revenues without providing replacement funding. Proposition 1A 2004 further amended the State Constitution by requiring the State to suspend State laws that create unfunded mandates in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Pursuant to Proposition 1A 2004, the State can no longer reallocate local property tax revenues without triggering a constitutional obligation to repay the local taxing agencies within three years. The State is further prohibited from reallocating local property tax revenues on more than two occasions within a ten-year period.

Proposition 26

On November 2, 2010, voters approved Proposition 26, which amended the State Constitution to expand the definition of a tax so that certain fees and charges imposed by the State and local governments will now be subject to approval by two-thirds of each house of the State Legislature or approval by local voters, as applicable. Proposition 26 requires a two-thirds approval by each house of the State Legislature to enact new laws that increase taxes on any taxpayer and repealed State laws that were in conflict with the measure unless they were approved again by two-thirds of each house of the State Legislature.

Future Initiatives

Propositions 13, 62, 218, 1A 2004 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting County revenues or the County's ability to expend revenues.

FEDERAL AND STATE FUNDING

A significant portion of the County budget has historically been comprised of revenues received from the Federal and State governments. As indicated in the table "Historical Appropriations by Fund" at the end of this Budgetary Information section of Appendix A, \$5.450 billion of the \$35.284 billion 2024-25 Recommended Budget is received from the Federal government and \$9.703 billion is funded by the State. The remaining \$20.131 billion of County revenues are generated from property taxes and a variety of other sources. The fact that 43% of General County Budget funding is provided by the State and Federal government illustrates the County's significant reliance on outside funding sources.

Federal Budget Update

On March 8, 2024, President Joseph R. Biden, Jr. signed into law H.R. 4366, the Consolidated Appropriations Act, 2024, which contains \$467.5 billion for six of the 12 Federal Fiscal Year (FFY) 2024 appropriations bills, a \$1.5 billion increase over FFY 2023 enacted levels. This first tranche of bills funds several agencies, including the departments of Transportation, Veterans Affairs, Energy, Agriculture, Interior, and Housing and Urban Development, as well as the Environmental Protection Agency and the Food and Drug Administration. Funding for agencies included in this bill will last through FFY 2024, which ends on September 30, 2024.

H.R. 4366 included funding for eight Los Angeles County Community Project Funding and Congressional Directed Spending allocations, \$23.4 million in Civil Works funding for the Los Angeles County Drainage Area's (LACDA) operations and maintenance, \$300,000 for the LACDA Divestiture Study, and \$8,000 for Marina del Rey's operations and maintenance.

H.R. 4366 also included health-related extenders including: the elimination of the Medicaid Disproportionate Share Hospital (DSH) Payments cuts through December 31, 2024; a permanent state option to provide Medicaid covered services to individuals who have substance use disorders and reside in Institutions for Mental Diseases; and a requirement that state Medicaid programs suspend rather than terminate Medicaid eligibility for persons in custody.

On March 23, 2024, President Biden signed into law H.R. 2882, the Further Consolidated Appropriations Act, 2024, which contains \$1.2 trillion for the remaining six of the 12 FFY 2024 appropriations bills and averted a partial government shutdown. This second tranche of bills funds all remaining federal agencies, including the departments of Defense, Homeland Security and Health and Human Services (HHS). The Joint Explanatory Statements accompanying H.R. 2882 include Community Project Funding and Congressional Directed Spending (also known as earmarks).

Funding for most programs of interest to the County was maintained or increased from the previous fiscal year. H.R. 2882 also included increased funding for border security, childcare, and the Head Start early education grants. H.R. 2882 did not include additional funding to extend the Affordable Connectivity Program, which had been funded through April 2024.

President Biden released his \$7.3 trillion budget blueprint for FFY 2025 on March 11, 2024. The budget request proposes approximately \$734 billion in non-defense discretionary funding in FFY 2025 and defense spending of approximately \$895 billion. Mandatory (entitlement) spending and interest on the national debt continues to represent the fastest growing components of the budget. Among other provisions, the President's budget request includes restoring the expanded Child Tax Credit, extending mandatory Medicare drug pricing negotiations to additional drugs, instituting national paid family leave programs, increasing affordable housing assistance, and funding environmental initiatives, among other proposals. The proposal also seeks to reduce the federal deficit by nearly \$3 trillion over the next ten years, primarily through increases in taxes.

STATE BUDGET PROCESS

Over the past twenty-five years, the State budget has experienced broad fluctuations as the State responded to the economic recession of the early 1990's, the economic recovery later in the same decade, the 2001 and 2008 recessions and subsequent recoveries, and the financial challenges caused by the COVID-19 pandemic. With the steady improvement in the State economy since the 2008 recession and the passage of Proposition 30 in the November 2012 election (and the subsequent extension by voters with the passage of Proposition 55 in November 2016), the State experienced significant improvement to its budget stability and overall financial condition and is in a historically strong position to manage the fiscal impact of a potential recession given the current economic conditions that have resulted in a reduction in State revenues in Fiscal Year 2022-23 and projected revenues for Fiscal Year 2023-24.

Fiscal Year 1991-92 Realignment Program

In Fiscal Year 1991-92, the State and county governments collectively developed a program realignment system (the "1991-92 Realignment Program") that removed State funding for certain health and welfare programs and provided counties with additional

flexibility to administer such programs. Under the 1991-92 Realignment Program, certain health and welfare services are funded by a 0.5% increase in sales taxes and increased vehicle license fees. Since counties receive their share of the funding for health and welfare programs under a fixed formula prescribed by State law, the flow of funds is no longer subject to the State budget process. If sales tax and vehicle license fee revenues are not realized as expected, county governments will still maintain responsibility for the management and cost of such programs.

On June 27, 2013, Governor Brown signed into law AB 85, which provides a mechanism for the State to redirect certain 1991-92 Realignment Program health care funding to social service programs. With California electing to implement a state-run Medicaid expansion pursuant to the Affordable Care Act, the State anticipates that the cost to counties for providing health care services to the indigent population will decrease as this population becomes eligible for coverage through Medi-Cal or the State-run health insurance exchange. The impact of the AB 85 legislation to the County is discussed in further detail in the Health Services Budget section.

Public Safety Realignment

The approval of the Public Safety Realignment Act of 2011 (AB 109) transferred responsibility for the custody and supervision of specific low-level inmates and parolees from the California Department of Corrections and Rehabilitation to counties. Funding for AB 109 is financed by redirecting 1.0625% of State sales tax revenue and a portion of Vehicle License Fee revenues from the State to the counties. In November 2012, California voters passed Proposition 30, which authorized a constitutional amendment prohibiting the State Legislature from removing AB 109 funding.

Redevelopment Agencies

Effective February 1, 2012, and pursuant to Assembly Bill x1 26 ("ABx1 26"), redevelopment agencies throughout the State were abolished and prohibited from engaging in future redevelopment activities. ABx1 26 requires successor agencies to take over from the former redevelopment agencies and perform the following functions:

- Continue making payments on existing legal obligations without incurring any additional debt.
- Wind down the affairs of the former redevelopment agencies and return the funds of liquidated assets to the county Auditor-Controller, who will in turn distribute these funds to the appropriate local taxing entities.

Under ABx1 26, property tax revenues are allocated to pay enforceable legal obligations, pass-through payments and eligible administrative costs. Any remaining property tax revenues, otherwise known as "residual taxes", are to be distributed as property tax revenue to the appropriate local taxing entities, including the County. Prior to their dissolution, the estimated annual tax increment to fund redevelopment agencies in the County General Fund was approximately \$453.0 million in Fiscal Year 2009-10. In Fiscal Years 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23, the County General Fund received \$201.9 million, \$243.2 million, \$232.5 million, \$352.4 million, \$315.4 million, and \$390.5 million of residual taxes, respectively. The budgeted and estimated residual tax revenue

for 2023-24 is \$394.7 million. The 2024-25 Recommended Budget includes a projected \$404.4 million of residual tax revenue for the General Fund.

The County's direct involvement in redevelopment activities was limited to unincorporated areas of the County and to a small number of projects. The successor agency for these activities is the Los Angeles County Development Authority. The dissolution of County related projects has not had a material impact, if any, on the financial condition of the County.

2023-24 State Budget

On June 27, 2023, Governor Newsom signed the primary budget bill (SB 101) for the final Fiscal Year 2023-24 State Budget. The Governor also signed two additional budget bills, including AB 102 and AB 103 on July 10, 2023 and June 30, 2023, respectively. AB 102 made technical and substantive changes to SB 101 to reflect the budget agreement reached between the Governor and the Legislature, while AB 103 made budget bill amendments to the 2021 and 2022 State Budget Acts. The three measures (SB 101, AB 103 and AB 102), along with 20 trailer bills signed by the Governor officially comprise the Fiscal Year 2023-23 State Budget Act (the "State Budget Act").

The State Budget Act projects a beginning fund balance from Fiscal Year 2022-23 of \$26.352 billion, total revenues and transfers of \$208.688 billion, total expenditures of \$225.928 billion, and a year-end fund balance of \$9.112 billion for Fiscal Year 2023-24. Of the projected year-end fund balance, \$5.272 billion will be allocated to the Reserve for Liquidation of Encumbrances and \$3.840 billion will be deposited to the Special Fund for Economic Uncertainties. The State Budget Act also allocates \$10.831 billion to the Public School System Stabilization Account and \$900.0 million to the Safety Net Reserve. The State Budget Act includes a balance of \$22.252 billion in the State's Budget Stabilization Account (Rainy Day Fund).

The State Budget Act reflects the State's current values and priorities related to implementing transitional kindergarten; child care availability and affordability; universal school meals; reproductive health care; investments in housing and infrastructure; workforce development; combatting organized retail theft and other crimes; increasing access to health care and protecting the State's most vulnerable residents; and addressing homelessness, behavioral health challenges and the impacts of climate change.

The items in the State Budget Act that are of major interest to the County include the following:

Carryover of Unspent SB 129 Pretrial Funding – Provides authority for the County to carryover up to \$28.2 million of unspent SB 129 pretrial funding allocated to the County for Fiscal Year 2021-22 and Fiscal Year 2022-23 to spend or encumber in Fiscal Year 2023-24.

Community Assistance, Recovery & Empowerment (CARE) Act – Provides \$128.9 million in State funding in Fiscal Year 2023-24, \$234 million in State funding in Fiscal Year 2024-25, \$290.6 million in State funding in Fiscal Year 2025-26, and nearly \$291 million in Fiscal Year 2026-27 and annually thereafter to support estimated county behavioral health department costs for the CARE Act. The Fiscal Year 2023-24 State funding consists of \$67.3 million for behavioral health department activities, which includes \$15 million

in one-time State funding for the County's planning activities to implement on an accelerated schedule by December 1, 2023, \$29.4 million to the trial courts for program administration and coordination of self-help centers, \$22.9 million to support public defender and legal services organizations that will provide legal counsel to CARE participants, \$6.1 million to the Department of Health Care Services to support implementation activities, and \$3.2 million to the Judicial Council to support implementation activities.

Opioid and Fentanyl Response – Provides \$14 million in one-time Opioid Settlements Fund over four years for fentanyl program grants to increase local efforts in education, testing, recovery, and support services to implement AB 2365, and to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Reproductive Health Services 1115 Waiver – Provides \$200 million (\$15 million in State funding) in Fiscal Year 2024-25 for a one-time grant program through an 1115 federal demonstration waiver focused on supporting access to family planning and related services, system transformation, capacity, and sustainability of California's safety net.

General Fund Loan for Hospitals – Provides a State loan of up to \$150 million for the County supported Distressed Hospital Loan Program (DHLP) and requires repayment by June 30, 2024.

Electronic Benefit Transfer (EBT) Fraud Mitigation – Provides \$50 million (\$15.5 in State funding) to improve EBT technology.

CalWORKs Grant Increase – Provides \$111.2 million in Fiscal Year 2023-24 for an ongoing MAP increase of 3.6 percent, effective October 2023, funded with revenues in the Child Poverty and Family Supplemental Support Subaccount. These increases will bring the non-exempt MAP level from \$1,130 to \$1,171 per month for an assistance unit of three family members residing in a high-cost county.

Medi-Cal County Administration Funding – Provides a \$93.2 million statewide increase for the Medi-Cal County Administration Allocation for Fiscal Year 2023-24 due to the California Department of Health Care Services increasing the total allocation by 4.11 percent for the projected California Consumer Price Index (CPI).

In-Home Supportive Services (IHSS) County Administration Funding – Provides \$13.4 million of state funding for the IHSS County Administration Allocation for Fiscal Year 2023-24 to reflect growth in the projected monthly caseload.

Stage One Child Care – Provides a \$71.2 million (\$17.7 million in State funding) to fund statewide increase to the CalWORKS Stage One Child Care allocation.

CalFresh State Administration Funding – Provides an additional \$406.5 million (\$159.5 in State funding) in Fiscal Year 2023-24 to reflect a revised budgeting methodology for counties CalFresh administration activities, which is an 18.6 percent increase compared to the previous methodology.

Local Child Support Agency (LCSA) Administrative Allocation – Provides \$35.8 million ongoing (\$12.2 million in State funding) for LCSAs to help mitigate increased staffing costs, caseload, and call volumes, to maintain current service levels.

California Motion Picture and Television Production Credit Extension – Extends authority of the California Film Commission to allocate the California Motion Picture and Television Production Credit for an additional five years, starting in Fiscal Year 2025-26, at \$330 million per year.

Exide Parkways Cleanup Funding – Provides \$67.3 million in Fiscal Year 2023-24 to cleanup parkways surrounding the former Exide Technologies facility identified with high levels of lead and/or other metals.

Foreclosure Intervention Housing Prevention Program (FIHPP) – Maintains \$82.5 million in one-time State funding for the FIHPP in Fiscal Year 2023-24 and defers funding previously allocated to the program in the 2021 State Budget Act as follows: \$70 million in Fiscal Year 2024-25, \$100 million in Fiscal Year 2025-26, and \$62.5 million in Fiscal Year 2026-27.

Dam Safety and Flood Management Grant Program – Approves the Dam Safety and Flood Management Grant Program which provides funding repairs, rehabilitation, enhancements, and other dam safety projects at State jurisdictional dams and associated facilities.

Behavioral Health Bridge Housing (BHBH) Program – Provides a one-time \$265 million to the Mental Health Services Fund in Fiscal Year 2023-24 in lieu of State funding for the BHBH, and delays \$235 million in State funding to Fiscal Year 2024-25.

Behavioral Health Continuum Infrastructure Program (BHCIP) – Delays \$480.7 million in State funding appropriated in the 2022 State Budget Act for Fiscal Year 2023-24 for the final round of behavioral health continuum capacity funding to \$240.4 million in Fiscal Year 2024-25 and \$240.3 million in Fiscal Year 2025-26.

Community Health Workers (CHW) Program – Reallocates \$115 million in State funding from Fiscal Year 2023-24 to Fiscal Year 2024-25 and Fiscal Year 2025-26 by \$57.5 million for each year.

Public Defender Pilot – Reinstates \$40 million of the \$50 million for the Board of State and Community Corrections' (BSCC) Public Defender Pilot Program to help fund counties indigent defense providers, including public defenders and alternate defenders.

CalWORKs Single Allocation (CWSA) Decrease – Includes a \$72.2 million statewide reduction to the eligibility component of the CWSA to reflect a lower projected final caseload relative to the appropriation.

Public Health Workforce Reductions – Maintains \$97.5 million in State funding over four years beginning in Fiscal Year 2022-23, for various public health workforce training and development programs.

2024-25 State Budget

On January 10, 2024, Governor Newsom released his Fiscal Year 2024-25 Proposed State Budget (the "Proposed State Budget"). The Proposed State Budget projected a beginning fund balance from Fiscal Year 2023-24 of \$8.029 billion, total revenues and transfers of \$214.699 billion, total expenditures of \$208.718 billion, and a year-end fund balance of \$14.010 billion for Fiscal Year 2024-25. Of the projected year-end fund balance, \$10.569 billion would be allocated to the Reserve for Liquidation of Encumbrances and \$3.441 billion would be deposited to the

Special Fund for Economic Uncertainties. The Proposed State Budget also allocates \$3.852 billion to the Public School System Stabilization Account. The Proposed State Budget includes a balance of \$11.106 billion in the State's Budget Stabilization Account (Rainy Day Fund).

The Proposed State Budget reflects an estimated budget gap of \$37.9 billion. To close the projected \$37.9 billion shortfall, the Proposed State Budget includes: \$13.1 billion in funding from reserves; \$8.5 billion in expenditure reductions; \$5.7 billion in revenue/internal borrowing; \$5.1 billion in funding delays; \$3.4 billion in fund shifts; and \$2.1 billion in deferrals.

Despite the \$37.9 billion projected revenue shortfall, the Proposed State Budget sustains key funding from prior fiscal years, including: \$15.3 billion for homelessness (\$3.3 billion for Homeless, Housing, Assistance & Prevention (HHAP) grants, \$2.8 billion for Project Homekey, \$860 million for Community Care expansion, and \$750 million for encampment clean up grants); \$8.7 billion for mental health reforms (\$4.7 billion for youth behavioral health, \$2.2 billion for behavioral health continuum infrastructure, \$1.5 billion for behavioral health bridge housing, \$292 million for CARE Court/Act and recent investments in the Mental Health Services Act Reforms); \$1.1 billion for public safety (\$374 million to combat organized retail theft, \$88 million for opioid & fentanyl interdiction/enforcement, \$302 million for community public safety, \$197 million for gun violence, and \$127 million for victims' services).

The items in the Proposed State Budget that are of major interest to the County include the following:

Managed Care Organization (MCO) Tax – Seeks early action by the Legislature to request that the federal government approve an amendment to increase the MCO Tax to achieve \$20.9 billion in total funding to the State, an increase of \$1.5 billion compared to the approved \$19.4 billion MCO Tax.

Los Angeles County Child Welfare Services Public Health Nursing (CWPHN) Program – Eliminates \$8.3 million in ongoing funding that supports County's CWPHN Program, which is designed to strengthen support for families in which health issues endanger family unity and child health and safety.

Reproductive Health – Maintains the Reproductive Health Services Waiver, with \$200 million in one-time funding (\$100 million in State funding) in Fiscal Year 2024-25 for the California Reproductive Health Access Demonstration Waiver to support access to reproductive health services beginning no sooner than July 1, 2024.

Behavioral Health Continuum Infrastructure Program (BHCIP) – Maintains \$300 million in State funding in Fiscal Year 2023-24 and \$239.6 million in State funding in Fiscal Year 2024-25. Delays \$140.4 million in State funding from Fiscal Year 2024-25 to Fiscal Year 2025-26, for a total of \$380.7 million for the final round of grants in Fiscal Year 2025-26.

Behavioral Health Bridge Housing (BHBH) – Shifts \$265 million from the Mental Health Services Fund appropriated in the 2023 State Budget Act to State funding in Fiscal Year 2024-25 and delays \$235 million in State funding originally planned for Fiscal Year 2024-25 to Fiscal Year 2025-26.

Healthcare Workforce – Delays \$140.1 million in State funding for the nursing and social work initiatives administered by the Department of Health Care Access and Information (HCAI).

Homeless Housing, Assistance and Prevention (HHAP) Program – Indicates the Administration's commitment to work with the Legislature on additional funding to support local solutions to homelessness as part of the budget process, pending the delivery of HHAP Rounds 3 and 4 performance outcomes and HHAP Round 5 regional coordination requirements. The Proposed State Budget maintains \$1.1 billion in one-time State funding for HHAP Round 5.

Affordable Housing Programs – Reduces \$1.2 billion in State funding to housing programs administered by the California Department of Housing and Community Development, including the Infrastructure Infill Grant Program (\$200 million reversion in State funding), the Multifamily Housing Program (\$250 million reversion in State funding) and the Veterans Housing and Homelessness Prevention Program (\$50 million reversion in State funding).

Foreclosure Prevention – Reduces \$247.5 million in State funding over the next three years to the Foreclosure Intervention Housing Preservation Program with \$85 million in Fiscal Year 2024-25, \$100 million in Fiscal Year 2025-26, and \$62.5 million in Fiscal Year 2026-27.

Zero Emission Vehicles (ZEV) – Extends the \$10 billion in investments approved in the 2021 and 2022 State Budget Acts from five to seven years. Reduces \$38.1 million in State funding for various programs and shifts \$475.3 million in State funding to the Greenhouse Gas Reduction Fund (GGRF). Delays \$600 million in GGRF from Fiscal Year 2024-25 to Fiscal Year 2027-28, including \$120 million for ZEV Fueling Infrastructure Grants.

Active Transportation – Reduces \$200 million in State funding from the 2022 State Budget Act and backfills the reduction with funding anticipated for future award cycles.

General Transportation and Infrastructure – Provides \$41 billion in funding for transportation and infrastructure projects across the State in Fiscal Year 2024-25.

Flood Protection – Provides \$33 million in State funding to support the State's cost share of U.S. Army Corps of Engineers projects and Urban Flood Risk Reduction projects.

Water Recycling – Maintains \$348 million in State funding for water recycling and groundwater cleanup with a reversion of \$174.4 million and a delay of \$100 million in State funding until Fiscal Year 2025-26.

Dam Safety – Reverts \$50 million in State funding for dam safety investments approved in the 2021 and 2022 State Budget Acts and maintains \$50 million in previously allocated State funding.

Last Mile Infrastructure Grants – Delays \$100 million in State funding from Fiscal Year 2024-25 through Fiscal Year 2026-27 for last mile infrastructure grants at the California Public Utilities Commission (CPUC) from the previously approved investment of \$1.45 billion, of which \$550 million was from the American Rescue Plan and \$900 million in State funding. The Proposed State Budget

reflects future investments of \$550 million in State funding (\$100 million in Fiscal Year 2024-25, \$200 million in Fiscal Year 2025-26, and \$250 million in Fiscal Year 2026-27) for a program total of \$2 billion. These competitive grants are for local projects to connect individual locations to broadband service.

Broadband Loan Loss Reserve (BLLR) Fund – Reduces \$250 million in State funding with \$150 million in Fiscal Year 2024-25 and \$100 million in Fiscal Year 2025-26 for the BLLR Fund which enables local governments and non-profits to secure financing for broadband infrastructure. Maintains \$500 million for the program with \$175 million in Fiscal Year 2023-24, \$150 million in Fiscal Year 2024-25, and \$175 million in Fiscal Year 2025-26.

Statewide Middle Mile Network – Provides \$1.5 billion in State funding over two years with \$250 million in Fiscal Year 2024-25 and \$1.25 billion in Fiscal Year 2025-26 to address changes in scope and the associated costs, as well as inflation, to compete development of the statewide middle mile network, which is projected to be completed by December 31, 2026. This project will build a statewide fiber-optic infrastructure in State highway right-of-way to bring high-speed broadband closer to Last Mile projects.

Firearm Relinquishment Programs – Reduces \$21 million in State funding for the Office of Emergency Services Gun Buyback Program and \$20 million in State funding (of the \$40 million in State funding appropriated) for the Judicial Council Firearm Relinquishment Grant Program.

Public Defender Pilot Program – Reduces \$40 million in one-time State funding in Fiscal Year 2023-24 for the Public Defender Pilot program. A total of \$100 million for this pilot was distributed in Fiscal Year 2021-22 and Fiscal Year 2022-23.

Combatting Organized Retail Theft and Other Crimes – Provides \$373.5 million in State funding over four years (Fiscal Years 2022-26) to bolster local law enforcement efforts to address retail theft and other crimes. This includes ongoing resources to expand and make permanent California Highway Patrol's retail theft task forces as well as the Department of Justice's Special Operations Unit and other task force and prosecution teams.

Community Corrections Performance Incentive Grant – Provides \$113.6 million in State funding for county probation departments for the Community Corrections Performance Incentive Grant. The calculation of incentive payments to the counties reverts to the previous methodology beginning in 2024-25.

Proposition 47 Savings – Estimates savings of \$87.8 million in State funding in Fiscal Year 2024-25 from Proposition 47, which passed in 2014 and requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing.

California Jobs First – Delays \$300 million in State funding for California Jobs First (formerly the Community Economic Resilience Fund), an interagency partnership to support resilient, equitable and sustainable regional economies. The Proposed State Budget includes \$100 million State funding for the program annually in Fiscal Year 2024-25 through Fiscal Year 2026-27.

High-Road Training Partnerships – Reduces \$45 million in State funding in Fiscal Year 2023-24 for the High-Road Training Partnership program.

Apprenticeship Innovation Fund – Delays \$40 million in State funding for the Apprenticeship Innovation Fund program with \$20 million in Fiscal Year 2025-26 and \$20 million in Fiscal Year 2026-27.

Displaced Oil and Gas Worker Pilot Fund – Maintains \$30 million in State funding and reverts \$10 million in State funding for the Displaced Oil and Gas Worker Pilot Fund.

Goods Movement Workforce Training Facility – Delays \$40 million in State funding with \$20 million in State funding in both Fiscal Year 2025-2026 and Fiscal Year 2026-2027, for a Goods Movement Workforce Training Facility in Southern California.

Flexible Cash Assistance for Survivors of Crime – Delays \$47.5 million in State funding to Fiscal Year 2025-26 to establish an assistance program to improve the safety, healing, and financial stability for survivors and the loved ones of those violently injured or killed.

CalWORKs Single Allocation – Reverses \$336 million in State funding from Fiscal Year 2022-23 that is projected to go unexpended in the CalWORKs Single Allocation. The Proposed State Budget also reflects a reversion of \$40.8 million in State funding in Fiscal Year 2023-24 and a decrease of \$40.8 million in State funding in Fiscal Year 2024-25 as part of an ongoing augmentation for this program.

Family Stabilization – Reverts \$55 million in State funding in Fiscal Year 2023-24 and reduces \$71 million in State funding beginning in Fiscal Year 2024-25 and ongoing.

Employment Services Intensive Case Management – Decreases \$47 million in State funding beginning in Fiscal Year 2024-25 and ongoing.

Expanded Subsidized Employment – Reverts \$134.1 million in State funding in Fiscal Year 2023-24 and reduces \$134.1 million in State funding in Fiscal Year 2024-25 and ongoing.

Projected CalWORKs Grant Increase – Provides a 0.8 percent increase to CalWORKs Maximum Aid Payment levels, with an estimated cost of \$26.7 million, projected to begin on October 1, 2024. A determination and update of the projected grant increase will be made at the May Budget Revision. These projected increased costs would be funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund and would be in addition to the 3.6 percent statutory increase in Fiscal Year 2023-24.

Expanding Medi-Cal to All Income-Eligible Californians – Maintains \$1.4 billion (\$1.2 billion in State funding) in Fiscal Year 2023-24, \$3.4 billion (\$2.9 billion in State funding) in Fiscal Year 2024-25, and approximately \$3.7 billion (\$3.2 billion in State funding) ongoing, inclusive of In-Home Supportive Services costs, to expand full-scope Medi-Cal eligibility to income-eligible adults aged 26 to 49 regardless of immigration status as of January 1, 2024. This expansion makes Medi-Cal available to all income-eligible Californians.

Family Urgent Response System – Reduces \$30 million in State funding in Fiscal Year 2024-25 and ongoing.

Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) Project – Provides \$173.4 million (\$88.1 million State funding) in Fiscal Year 2024-25 to support continued project development and implementation costs, and an additional \$52 million (\$26 million in State funding) in one-time provisional authority, of the CWS-CARES project. The CWS-CARES will replace the existing case management system to benefit state, local and tribal child welfare agencies and will align with state and federal requirements.

Foster Care Rate Reform – Provides \$12 million in State funding in Fiscal Year 2024-25 to make automation changes for a reformed foster care payment structure, with full implementation anticipated as early as Fiscal Year 2026-27. The new rate system for foster care placements will focus on the child's individual level of needs and strengths, rather than the placement type.

SB 525 (Chapter 890, Statutes of 2023) – Increases the minimum wage incrementally to \$25 an hour for specified health care workers, effective June 1, 2024.

Building Resilience – Reverses \$45 million in State funding for a grant program that supports community hardening efforts through leveraging the federal Hazard Mitigation Grant Program. The Proposed State Budget maintains \$55 million in one-time State funding for this program.

Nature-Based Solutions – Maintains \$1.4 billion of the \$1.6 billion approved in the 2021 and 2022 State Budget Acts and reverts \$10 million in State funding for Redondo Beach Wetlands Restoration.

Extreme Heat – Maintains \$364 million over multiple years in programs and projects to support extreme heat mitigation.

Extreme Heat and Community Resilience Program – Reduces \$40.1 million in State funding and shifts \$70 million in State funding to the Green Gas Reduction Fund (GGRF).

Urban Greening – Maintains \$75 million in State funding over four years and shifts \$23.8 million in State funding to the GGRF.

Climate Adaptation and Resilience Planning Grants – Reverts \$5 million in State funding compared to the 2021 and 2022 State Budget Acts and maintains \$20 million of previously allocated State funding.

Coastal Protection and Adaption – Reverts \$171.1 million in State funding compared to the 2021 and 2022 State Budget Acts and maintains \$154.9 million of previously allocated State funding.

Equitable Building Decarbonization – Maintains \$639 million for the Equitable Building Decarbonization Program, reduces \$283 million in State funding, and shifts \$87 million to the GGRF.

Oil and Gas Well Capping – Shifts \$50 million in State funding to the GGRF.

Residential Solar and Storage – Delays \$200 million in State funding for the Residential Solar and Storage Program with \$75

million in Fiscal Year 2024-25 and \$125 million in Fiscal Year 2025-26.

Incentives for Long Duration Storage – Maintains \$330 million for the Long Duration Storage Program and shifts \$56.9 million in State funding to the GGRF in Fiscal Year 2024-25.

Cleanup in Vulnerable Communities Initiative – Delays \$175 million in State funding for the Department of Toxic Substances Control's Cleanup in Vulnerable Communities Initiative Program. The Proposed State Budget includes \$85 million in funding in Fiscal Year 2025-26 and \$90 million in Fiscal Year 2026-27.

Outdoor Equity Grants Program – Maintains \$90 million in State funding for outdoor environmental education and access programs.

Urban Waterfront Funding – Maintains \$142 million in State funding for various projects in urban areas adjacent to rivers and waterways throughout the State.

Santa Monica Mountains Conservancy – Reduces \$157 million in Fiscal Year 2023-24 to \$1.7 million in Fiscal Year 2024-2025, with local assistance grants decreasing by \$147.8 million.

Watershed Climate Resilience Programs – Maintains \$56 million in State funding for various watershed climate resilience programs.

RECENT COUNTY BUDGETS

General County Budgets have reflected a conservative approach and have sought to maintain a stable budgetary outlook in an uncertain fiscal environment. As a result of the 2020 economic downturn caused by the COVID-19 pandemic, the County experienced a budget deficit as sales tax-based revenues declined. The economic downturn resulted in an estimated \$355.9 million NCC budget gap in Fiscal Year 2020-21. NCC is the portion of the County's budget that is financed with County discretionary funding (also known as locally generated revenues).

In order to manage the Fiscal Year 2020-21 budget gap, the County utilized a combination of ongoing structural changes including departmental budget curtailments which resulted in the elimination of 2,586 budgeted positions, the temporary suspension of the deferred compensation contribution match for non-represented employees, and the suspension of Management Appraisal and Performance Plan Tier I salaries and employee benefits increases. The County did not implement any layoffs or furloughs.

Property Tax Revenue

Property tax revenue represents the largest source of ongoing discretionary revenue for the County. The reliability of property tax revenue is due in large part to Proposition 13, which helps insulate the County from the cyclical nature of the real estate market. Proposition 13 limits the growth of assessed valuations and allows for reassessments when a property is sold or when new construction occurs. Assessed valuation can also be adjusted for inflation or deflation. As a result of Proposition 13, there is a significant amount of "stored" home value appreciation that is not reflected on the property tax rolls, which helped to offset a significant decrease in property values during the 2008 economic downturn.

To illustrate this point, average median home prices in the County declined by 48% from their peak value in August 2007 (\$562,346) to a low in January 2012 (\$290,015), but the net revenue-producing value of the property tax roll (the "Net Local Roll") decreased by only 0.51% and 1.87% in Fiscal Years 2009-10 and 2010-11, respectively. After the economic downturn in 2008, and the subsequent recovery in the real estate market, the County has experienced thirteen consecutive years of steady growth in assessed valuation, with increases in the Net Local Roll of 1.36%, 2.20%, 4.66%, 5.47%, 6.13%, 5.58%, 6.04%, 6.62%, 6.25%, 5.97%, 3.70%, 6.65%, and 5.91% in Fiscal Years 2011-12 through 2023-24, respectively.

For Fiscal Year 2023-24, the Assessor reported a Net Local Roll of \$1.997 trillion, which represents an increase of 5.91% or \$111.5 billion from Fiscal Year 2022-23. The Fiscal Year 2023-24 Net Local Roll represents the largest revenue-producing valuation in the history of the County, and the thirteenth consecutive year of assessed valuation growth. The largest factors contributing to the increase in assessed valuation are transfers in ownership (\$67.4 billion) and an increase in the consumer price index (\$36.7 billion).

Although real estate sales declined in 2022 primarily due to increases in mortgage interest rates, the increase in the Net Local Roll is the result of strong median home prices for the first half of the year. A California Consumer Price Index that exceeded the allowable limit of 2% was also a contributing factor to the increased growth of the Net Local Roll for Fiscal Year 2023-24.

For the Fiscal Year 2023-24 tax roll, the Assessor estimates that approximately 8.0% of all single-family residential parcels, 8.6% of all residential income parcels, and 11.4% of commercial-industrial parcels are 1975 base-year parcels, which indicates a significant amount of stored value that can be realized on future tax rolls when these parcels are sold and re-assessed at higher values. For Fiscal Year 2024-25, the County anticipates a 4.75% growth in assessed valuation primarily due to a full 2% consumer price index adjustment and expected sales activity.

With the downturn in the real estate market caused by the 2008 recession, the County Assessor initiated Proposition 8 reviews of 791,000 parcels. As a result of the Assessor's proactive approach to Proposition 8 reviews, the valuations of 552,000 parcels sold during the height of the real estate market were adjusted downward to reflect current market values at the time of the review. The lower valuations helped to insulate the County from future reductions in the Net Local Roll if these properties were resold at lower market values. In response to the improvement in the real estate market, and beginning with the Fiscal Year 2008-09 Assessment Roll, the Assessor initiated a review of the 552,000 parcels to determine if the reductions in assessed value were still warranted under Proposition 13. Based on this review, the Assessor has fully restored approximately 533,000 parcels to their Proposition 13 base year value, with 19,000 parcels still eligible for potential restorations in value.

FISCAL YEAR 2023-24 FINAL ADOPTED BUDGET

The Fiscal Year 2023-24 Final Adopted Budget (the "2023-24 Final Adopted Budget") was approved by the Board of Supervisors on October 3, 2023. The 2023-24 Final Adopted Budget appropriated \$46.743 billion, which reflects a \$2.101 billion or 4.7% increase in total funding requirements from the 2022-23 Final Adopted Budget. The General County Budget

(General Fund and Hospital Enterprise Fund) appropriated \$35.934 billion, which represents a \$2.601 billion or 7.8% increase from the 2022-23 Final Adopted Budget. The 2023-24 Final Adopted Budget appropriated \$10.809 billion for Special Funds/Districts, reflecting a \$0.500 billion or 4.4% decrease from the Fiscal Year 2022-23 Final Adopted Budget.

The primary year-over-year changes to the ongoing NCC component of the 2023-24 Final Adopted Budget are outlined in the following table.

Public Assistance Changes	\$120,420,000
Unavoidable Cost Increases	
Employee Salaries	201,120,000
Health Insurance Subsidies	961,000
Retiree Healthcare Benefits	43,556,000
Various MOE Requirements	6,954,000
Program Changes	
Debt Service	(18,530,000)
Care First & Community Investment	88,304,000
Legal Settlements/Consent Decree	73,195,000
All Other Program Changes	77,680,000
Fiscal Policies	
Appropriations for Contingencies	(9,953,000)
Deferred Maintenance	5,000,000
Total Net County Cost Increases	588,707,000
Revenue Changes	
Property Taxes	380,475,000
Property Taxes - CRA Dissolution Residual	59,690,000
Public Safety Sales Tax	6,888,000
1991 Realignment - Sales Tax	8,741,000
1991 Realignment - Vehicle License Fee	1,739,000
Interest Earnings	101,542,000
Various Other Revenue Changes	29,632,000
Total Locally Generated Revenue	588,707,000
Total NCC Budget Gap	\$0

Public Assistance Change

The increase in funding for Public Assistance in the 2023-24 Final Adopted Budget is primarily due to funding increases for In-Home Supportive Services, General Relief, and Kinship Guardianship Assistance Payment Programs, as well as Foster Care and Adoptions Assistance programs.

Unavoidable Cost Increases

Salaries and Employee Benefits - Unavoidable cost increases are primarily the result of approved salaries and employee benefit increases, and expected salary and benefit increases that are subject to negotiations with the County's collective bargaining units.

Prefund Retiree Healthcare Benefits – The 2023-24 Final Adopted Budget appropriated \$502.5 million in pre-funding contributions to the OPEB Trust Fund, which is comprised of \$200.0 million in NCC

and \$302.5 million in projected subvention revenue received from Federal, State, and other local government entities.

Program Changes

The 2023-24 Final Adopted Budget included \$220.6 million of adjustments to various County programs, including increases for public safety, social services, and health and mental services.

Fiscal Policies

The balance of the County's Rainy Day Fund for Fiscal Year 2023-24 is \$971.1 million, which represents 11.5% of ongoing discretionary revenues. As part of the 2023-24 Final Adopted Budget, \$77.4 million was set aside in Appropriations for Contingencies, which reflected 17% of new ongoing discretionary revenues. The 2023-24 Final Adopted Budget also included a \$5.0 million allocation for deferred maintenance needs.

Revenue Changes

The 2023-24 Final Adopted Budget included a \$380.5 million increase in property tax revenues based on the Assessor's 2023 Assessment Roll, which reflected an increase of 5.91% in the Net Local Roll for Fiscal Year 2023-24. The 2023-24 Final Adopted Budget also included a \$59.7 million increase in property tax residual from the dissolution of redevelopment agencies. The 2023-24 Final Adopted Budget included projected increases in Proposition 172 Public Safety sales tax revenue, 1991 Realignment sales tax revenue, and 1991 Realignment - Vehicle License Fee revenue. The 2023-24 Final Adopted Budget also included a projected increase in interest earnings as a result of action by the Federal Reserve to raise interest rates.

FISCAL YEAR 2024-25 RECOMMENDED BUDGET

The Fiscal Year 2024-25 Recommended Budget (the "2024-25 Recommended Budget") was approved by the Board of Supervisors on April 16, 2024. The 2024-25 Recommended Budget appropriates \$45.377 billion, which reflects a \$1.366 billion or 2.9% decrease in total funding requirements from the 2023-24 Final Adopted Budget. The General County Budget (General Fund and Hospital Enterprise Fund) appropriates \$35.284 billion, which represents a \$0.650 billion or 1.8% decrease from the 2023-24 Final Adopted Budget. The 2024-25 Recommended Budget appropriates \$10.093 billion for Special Funds/Districts, reflecting a \$0.716 billion or 6.6% decrease from the Fiscal Year 2023-24 Final Adopted Budget.

The primary changes to the ongoing NCC component of the 2024-25 Recommended Budget are outlined in the following table.

Public Assistance Changes	\$56,621,000
Unavoidable Cost Increases	
Health Insurance Subsidies	14,761,000
Pension Costs	(7,668,000)
Employee Salaries	206,113,000
Retiree Healthcare Benefits	48,654,000
Various MOE Requirements	8,384,000
Program Changes	
Care First & Community Investment	12,340,000
Debt Service	(11,019,000)
Legal Settlements/Consent Decree	14,328,000
All Other Program Changes	53,147,000
Fiscal Policies	
Appropriations for Contingencies	(10,496,000)
Deferred Maintenance	5,000,000
Total Net County Cost Increases	390,165,000
Revenue Changes	
Property Taxes	318,707,000
Property Taxes - CRA Dissolution Residual	9,772,000
Public Safety Sales Tax	(15,276,000)
1991 Realignment - Sales Tax	19,165,000
Interest Earnings	53,91,000
Various Other Revenue Changes	4,706,000
Total Locally Generated Revenue	390,165,000
Total NCC Budget Gap	\$0

Program Changes

The 2024-25 Recommended Budget includes \$68.8 million of adjustments to various County programs, including increases for public safety, social services, and health and mental services.

Fiscal Policies

As of the 2024-25 Recommended Budget, the balance of the County's Rainy Day Fund is \$978.6 million, which represents approximately 11.2% of ongoing discretionary revenues. The 2024-25 Recommended Budget includes \$56.7 million in Appropriations for Contingencies, which reflects 17% of new ongoing discretionary revenues in Fiscal Year 2024-25. The 2024-25 Recommended Budget also includes a \$5.0 million allocation for deferred maintenance needs.

Revenue Changes

The 2024-25 Recommended Budget includes a \$318.7 million increase in property tax revenues based on a preliminary projected growth rate of 4.75% in assessed valuation. The 2024-25 Recommended Budget also includes a \$9.8 million increase in the property tax residual from the dissolution of redevelopment agencies. The 2024-25 Recommended Budget includes projected increases in Realignment sales tax revenue, interest earnings, and various other revenue sources, offset by Proposition 172 Public Safety sales tax revenue.

Assembly Bill 218

Liability and settlement costs associated with the Child Victims Act (AB 218) are expected to have a significant long-term effect on the financial condition of the County. The County is currently estimating its potential AB 218 liability at more than \$3.0 billion. The County is assessing the potential impact of AB 218 on its future programmatic funding needs, and expects that addressing the related claims may require funding through a multi-year, long-term financing approach.

HEALTH SERVICES BUDGET

The Department of Health Services ("DHS") provides vital inpatient acute care through four hospitals: Los Angeles General Medical Center, Harbor-UCLA Medical Center, Olive View-UCLA Medical Center and Rancho Los Amigos National Rehabilitation Center. Two of the hospitals, Los Angeles General Medical Center and Harbor-UCLA Medical Center, operate trauma centers and emergency rooms; Olive View-UCLA Medical Center provides emergency room services; and Rancho Los Amigos National Rehabilitation Center operates as an acute rehabilitation facility. Outpatient services are provided at all four hospitals as well as at multiple other facilities, including one outpatient center, one regional health center, six comprehensive health centers, fifteen community health centers, and over 100 contracted Community Partner clinics located throughout the County. DHS also manages the emergency medical services system for the entire County. In collaboration with the University of Southern California and the University of California at Los Angeles, the County provides training for approximately 1,800 physician residents on an annual basis.

As a safety net provider, the County is the medical provider of last resort for indigent County residents. Historically, the cost of providing health services exceeds the combined total of DHS

Public Assistance Change

The increase in funding for Public Assistance in the 2024-25 Recommended Budget is primarily due to funding increases for In-Home Supportive Services, General Relief, and Kinship Guardianship Assistance Payment programs, as well as Foster Care, Adoptions, and Emergency Assistance programs.

Unavoidable Cost Increases

Salaries and Employee Benefits – The unavoidable cost increases are primarily the result of approved salaries and employee benefit increases, and expected salary and benefit increases that are subject to negotiations with the County's collective bargaining units.

Pension Costs - Reflects adjustments for the Fiscal Year 2024-25 employer contribution retirement rates based upon the June 30, 2023 actuarial valuation of retirement benefits

Prefund Retiree Healthcare Benefits – The 2024-25 Recommended Budget appropriates \$570.3 million in pre-funding contributions to the OPEB Trust Fund, which is comprised of \$225.0 million in NCC and \$345.3 million in projected subvention revenue received from Federal, State and other local government entities.

revenues, which requires annual subsidies from the County General Fund to DHS. DHS has been able to limit these subsidies by developing new revenue sources, implementing operational efficiencies, and using one-time reserve funds.

Health System Funding

On December 29, 2021, the Federal Centers for Medicare and Medicaid Services (“CMS”) approved a renewed 5-year Section 1115 Waiver (the “Waiver”) submitted by the California Department of Health Care Services (“DHCS”) effective through December 31, 2026. The renewed Waiver will include full funding for the Global Payment Program (“GPP”). The GPP includes both Disproportionate Share Hospital and Safety Net Care Pool funding. An agreement for distributing the GPP funding has been negotiated for the 5-year Waiver term among all of the public county hospitals, including DHS hospitals.

Through a combination of 1915(b) and 1115 waiver authorities, CMS also approved the California Advancing & Innovating Medi-Cal (“CalAIM”) initiative effective January 1, 2022. Under CalAIM, expanded services to some of DHS’ most vulnerable populations, such as persons experiencing homelessness, are reimbursable under the Enhanced Care Management (“ECM”) and the Community Supports program. ECM is a care coordination benefit for the highest need cases that launched for most eligible populations on January 1, 2022, with additional populations related to nursing home use eligible as of January 2023. The Community Supports program provides 14 different services that Medi-Cal managed care plans may offer that will provide social supports such as housing navigation, tenancy sustaining services, housing deposits, recuperative care, sobering centers, and components of enhanced residential care for persons with disabilities who have support needs related to their daily living activities, and others. DHS offers, and has contracted with, local managed care plans for many of these services, which were previously covered under the Whole Person Care and Health Homes programs. Under CalAIM, expanded services to some of DHS’ most vulnerable populations, such as persons experiencing homelessness, are reimbursable under the ECM and Community Supports programs.

Also, under CalAIM, the Providing Access and Transforming Health Program (the “PATH Program”) will provide \$1.44 billion in gross statewide funding over five years. The PATH Program will provide: a) support for sustaining existing Whole Person Care pilot services that will continue under CalAIM as Community Supports; b) support to maintain justice involved services currently provided through Whole Person Care pilot programs that do not transition to managed care or Medi-Cal coverage until January 1, 2023, or later; c) funding for technical assistance support to help expand ECM and Community Supports; d) support for collaborative planning and implementation for ECM and Community Supports; e) support for expanding access to ECM and Community Supports services beyond what was offered under Whole Person Care; and f) support for Medi-Cal pre-release application planning and purchase of certified electronic health record technology to support Medi-Cal pre-release applications. An additional \$410.0 million in statewide funding was approved by CMS in January 2023 to support expanded coordination for justice involved populations, including coverage of certain services in jails to support reentry into the community.

Through a separate approval on January 4, 2022, CMS granted authority for the Home and Community-Based Services Spending

Plan, which includes two major initiatives related to CalAIM that could benefit DHS through March 31, 2024: a) \$1.3 billion gross statewide one-time funding for Medi-Cal managed care plans to earn incentives for making investments that address homelessness; and b) \$298.0 million gross statewide one-time funding for “Community Based Residential Continuum Pilots” to provide medical and supportive services in various non-hospital settings that are designed to avoid unnecessary healthcare costs, including emergency services and future long-term care placement in a nursing home.

In addition, reductions to Disproportionate Share Hospital (DSH) payments are scheduled to be implemented on January 1, 2025. Without action from Congress to delay the DSH cuts, DHS estimates a potential annual revenue loss of \$150 million in its GPP. Congress has delayed these cuts on multiple occasions in the past, as they could have a significant impact on the nation’s hospital system. DHS is tracking this issue closely and will update their forecasts to reflect the additional use of fund balance if the DSH reductions are implemented.

Medi-Cal Capitation Revenue

In response to the COVID-19 pandemic, the U.S. Department of Health & Human Services (“HHS”) issued a PHE order on January 31, 2020. In March 2020, Governor Gavin Newsom issued an executive order suspending the normal annual redetermination requirement for Medi-Cal eligibility while the PHE order remained in effect. Over the next several years, the redetermination moratorium has allowed many more Medi-Cal beneficiaries in California to retain their Medi-Cal eligibility. The moratorium resulted in a significant increase in the number of Medi-Cal beneficiaries assigned to DHS and considerable increases in Medi-Cal capitation revenues.

On March 31, 2023, Congress passed the Federal Consolidated Appropriations Act of 2023 which terminated the continuous coverage requirement. Accordingly, the redetermination process resumed in July 2023 and is expected to be fully phased in by June 2024. Since the majority of the increase in Medi-Cal beneficiaries during the pandemic period belonged to the Medi-Cal Coverage Expansion (“MCE”) category of aid, MCE beneficiaries are more likely to be infrequent or “one-time only” users of DHS services. Based on this usage trend, DHS anticipates that the MCE population will be less likely to complete the redetermination process and will lose their Medi-Cal eligibility. This is expected to result in significant reductions in managed care assignments and associated capitation revenues to DHS. Once the redetermination process fully returns to normal, DHS is estimating the number of its currently assigned members will be reduced to pre-pandemic levels, with an estimated loss of 135,000 members and a decrease of approximately \$200 million annually in net capitation revenue.

COVID-19 Funding

Beginning in April 2020, HHS distributed multiple phases of Provider Relief Funds (“PRF”) to cover increased expenditures and lost revenues related to COVID-19. To date, DHS has received \$325.3 million in PRF funding. Due to uncertainties and pending HHS directions regarding PRF reporting and claiming guidelines, DHS reserved \$325.3 million of its fund balance, which will be released upon completion of required financial audits.

In September 2022, the Office of Inspector General (“OIG”) initiated an audit of DHS’ compliance with the PRF requirements. The audit’s scope of review was on the PRF expenditure reports submitted as of April 2022. Over a 12-month period, the auditors requested and reviewed detailed supporting documentation on the reported eligible health care related expenses, calculation of lost revenues attributable to COVID-19, and a number of internal protocols, policies, and procedures. In June 2023, OIG also conducted an on-site meeting with DHS management to discuss DHS’ use and reporting of PRF payments. Although OIG has completed the PRF audit, DHS has not received any formal notification or report regarding their audit findings.

Assembly Bill 85

Assembly Bill 85 (“AB 85”) was enacted as part of the State’s implementation of the Affordable Care Act (“ACA”) in 2014. Under AB 85, the State’s funding mechanism for county health care and human services programs, which had been in place since the 1991-92 Realignment Program, was revised to account for the expected reduction in unreimbursed services for DHS patients pursuant to implementation of the ACA. AB 85 uses a formula to determine the amount of State realignment funds provided to a county that will be redirected to fund social service programs. The County’s funding formula is unique in that it uses the entire DHS budget to determine if there are “excess” funds that must be returned to the State.

The amount of revenue redirection is reconciled to the formula two years after the close of each respective fiscal year. If there are “excess” funds determined by the funding formula, the sharing ratio for the excess revenue is 80% State and 20% County. The current projected redirection amount for Fiscal Year 2021-22 and forward is \$0. The County will continue to work with the State to evaluate and update the redirection numbers and close out each fiscal year by the scheduled due dates.

In addition, AB 85 established a Maintenance of Effort (“MOE”) funding requirement for an annual County General Fund contribution based on Fiscal Year 2012-13 funding levels, with increases to the MOE of 1% each subsequent fiscal year. The initial MOE funding requirement for Fiscal Year 2013-14 was \$326.2 million. The MOE funding requirement for Fiscal Year 2024-25 is \$360.0 million. The MOE provides a stable and ongoing source of funding for DHS from the County General Fund.

General Fund Contributions

The Fiscal Year 2024-25 NCC contribution to DHS is \$1.247 billion, as shown in the chart below. The NCC contribution to DHS is comprised of multiple components, including the AB 85 MOE, other General Fund resources for specific programs, VLF Realignment Revenue, and Tobacco Settlement Revenue. The additional funding from the County General Fund for DHS programs related to correctional health services and other programs represents a strategic initiative by the Board of Supervisors to transfer specific services previously provided by other County departments to DHS and is not related to cost increases as the result of budgetary pressures from DHS’ operations.

DHS NCC Contribution	
FY 2024-25 Recommended Budget	
(\$ in millions)	
	Amount
County General Fund - AB 85 MOE	\$ 364.0
County General Fund - Correctional Health ^(A)	482.3
County General Fund - Specific Programs ^(B)	84.6
Vehicle License Fees Realignment	292.5
Tobacco Settlement Revenue	55.0
Transfers to Other Budget Units ^(C)	(31.6)
Total	\$ 1,246.8

(A) Reflects the transfer of Correctional Health Services from the Sheriff and the Department of Mental Health to DHS, which was finalized in May 2017.
 (B) Includes funding for Board initiatives, such as homeless services and health care for Probation youth.
 (C) Includes the transfer for the In-Home Supportive Services Provider Health Care Plan.

General Fund Advances and Cash Flow

The County maintains separate Enterprise Funds to account for hospital services in various regions of the County, commonly referred to as the Hospital Funds. The County’s General Fund provides cash advances to each of the Hospital Funds to provide for the net cash flow requirements of County hospitals. On a daily basis, the County reviews the cash inflows and outflows of the Hospital Funds and adjusts the amount of advances in order to provide the Hospital Funds with a minimal daily cash position of approximately \$10.0 million.

The Federal and State governments are the primary sources of revenue for the Hospital Funds. As of April 30, 2024, the balance of General Fund cash advances to the Hospital Funds was \$0 and is projected to be \$0 on June 30, 2024.

However, going forward, due to changes made by DHCS in certain Medi-Cal programs, it is expected that the level of cash advances to the Hospital Funds will be impacted. The most significant change is the transition of Rate Years for Medi-Cal managed care from a fiscal year to a calendar year basis. This transition results in a 6-month delay in payments for certain managed care programs so that only one-half of the payments earned in a current fiscal year will be collected by the end of the following fiscal year. The other half of the payment will be recorded as a long-term receivable which cannot be used for DHS’ operating expenses, in accordance with County policy. DHS is continuing its discussions with DHCS about accelerating these payments, but the outcome is uncertain. As of June 2023, long term receivables for the affected DHS Medi-Cal managed care programs are estimated to be \$812.8 million.

In addition to the funding sources described above, the County’s General Fund also provides cash advances to the Hospital Funds for certain long-term receivables that are owed by the State to the hospitals. The receivables are associated with the Cost Based Reimbursement Clinics (“CBRC”) program. Although the CBRC receivables are reliable assets, the collection process is contingent upon annual audits by the State. As of June 30, 2023, the total estimated receivable balance is \$36.2 million. The County has recognized an equivalent reserve against the fund balance associated with the CBRC receivable since it is not currently available to fund the County’s budgetary requirements.

The CBRC receivable balance for Fiscal Year 2023-24 will be determined during the fiscal year-end closing process.

Managed Care

The EPP establishes a pool to supplement the base rates received by public hospitals through their Medi-Cal managed care contracts. DHS currently estimates the net revenue for EPP to be approximately \$638.5 million for Fiscal Year 2021-22, \$630.5 million for Fiscal Year 2022-23, \$713.6 million for Fiscal Year 2023-24, and \$741.3 million for Fiscal Year 2024-25.

The QIP provides value-based payments for the achievement of clinically established quality measures for Medi-Cal managed care enrollees. CMS has approved four years of QIP with an annual cost of living adjustment. The net revenue for QIP is estimated to be approximately \$339.0 million for Fiscal Year 2021-22, \$357.9 million for Fiscal Year 2022-23, \$338.4 million for Fiscal Year 2023-24, and \$337.2 million for Fiscal Year 2024-25.

Effective May 1, 2022, DHCS implemented the Older Adult Expansion (“OAE”) Medi-Cal program. The OAE program is a state-only funded (no federal funds) program that expands eligibility for full-scope Medi-Cal benefits to individuals who are 50 years of age or older, regardless of their citizenship or immigration status. Previously, these individuals were only eligible to receive limited scope benefits. Under the OAE program, those individuals with limited benefits are automatically transitioned into full scope Medi-Cal managed care. DHS estimates approximately 40,000 of its assignments are in the OAE program.

Beginning in January 2024, the State is expanding full Medi-Cal eligibility to the remaining group of income-eligible Californians, aged 26-49, regardless of their citizenship or immigration status. These coverage expansions may result in increased DHS member assignments, although there will likely be some offset depending on the number of potentially eligible individuals who fail to comply with the redetermination process.

On April 22, 2024, CMS finalized rules governing managed care delivery systems related to access to care requirements, states’ use of in lieu of services or settings, directed payments, quality rating systems, and other policy and reporting changes to ensure the efficient operation of state managed care programs. DHS will be reviewing the final rules to determine the financial impact to the department, if any.

DHS Reserve Funds

In Fiscal Year 2022-23, DHS closed with a Fund Balance of \$2.641 billion. Of this amount, approximately \$849.0 million with respect to the CBRC, EPP, QIP, and managed care rate supplement payments for Fiscal Years 2020-21 through 2022-23 was established as a long-term receivable and reserved in a separate account until the payments are collected. The remaining estimated Fund Balance of \$1.792 billion is available to fund DHS operations and balance its budget in the future, as needed.

As mentioned previously, the Fund Balance includes restricted fund for the PRF in the amount of \$325.3 million. DHS recognized the PRF amount based on preliminary estimates of allowable expenditure claims, pending final claiming instructions and guidance from HHS.

Harbor-UCLA Medical Center Replacement Project

On November 10, 2020, the Board of Supervisors approved the Harbor-UCLA Replacement Project. The Harbor-UCLA Replacement Project, with an estimated cost of \$1.7 billion, will be shared between DHS (89.4%) and the Department of Mental Health (10.6%), whose share will fund the construction of psychiatric emergency services and psychiatric inpatient beds. The Harbor-UCLA Replacement Project is expected to be completed by the end of 2027. In February 2022, the Board of Supervisors approved the design-build contract with Hensel-Phelps for the construction of the Harbor-UCLA Medical Center replacement project. Since that time, over 200 meetings have been held with clinical users to develop the design for the hospital, clinic, lab, and support service buildings and parking structure. Construction has begun on the Support Services Building which will house the Facilities Management, Information Technology, and Safety programs, and on the 1,500 space Parking Structure. The Support Services Building will be completed in May 2024 and the Parking Structure will be completed in June 2024. Construction of the Clinic Building is underway.

In order to fund the equipment needed for the new hospital facility, DHS previously reserved \$175.0 million from its Fund Balance during the Fiscal Year 2020-21 closing process and used those funds to set up the Accumulated Capital Outlay (ACO) fund of \$175.0 million in Fiscal Year 2021-22.

In addition, DHS is paying the planning, design, and construction costs for the Harbor-UCLA Replacement Project and other projects as they occur. In Fiscal Year 2022-23, DHS covered approximately \$220.0 million of these costs using Fund Balance and is planning to pay an additional \$203.0 million in Fiscal Year 2023-24. The County is planning to issue long-term lease revenue bonds in the third quarter of 2024 in the approximate amount of \$700 million to finance the first phase of the Harbor-UCLA Replacement Project.

Martin Luther King Jr. Community Hospital

Separate from the County-operated hospitals described above, the County also provides financial assistance from time to time to MLK Community Hospital (“MLKCH”), a safety-net community hospital that provides services to Medi-Cal and uninsured patients from the surrounding community. MLKCH is operated by Martin Luther King, Jr. Los Angeles Healthcare Corporation (“MLK-LA”), a 501(c)(3) entity, which is governed by a board of directors with members appointed by the County and the University of California. The financial assistance provided by the County currently includes a loan with an outstanding balance of \$37.5 million and \$20 million advance on a line of credit that MLK-LA established with the County in 2014. In addition, DHS has committed to make ongoing annual payments of \$18.0 million for indigent care support, and up to \$50.0 million of intergovernmental transfers for the benefit of MLKCH.

Tobacco Settlement Revenue

In November 1998, the attorneys general of 46 states (including the State of California) and other territories reached agreement with the then four largest United States tobacco manufacturers to settle more than forty pending lawsuits brought by these public entities. The Master Settlement Agreement (the “MSA”) requires the tobacco companies to make payments to the states in

perpetuity, with the payments totaling an estimated \$206 billion through 2025. California will receive 12.76%, or approximately \$25.0 billion of the total settlement. In accordance with the terms of the MSA, the annual Tobacco Settlement Revenues (“TSRs”) are subject to numerous adjustments, offsets and recalculation. While the County’s share of the State settlement was initially expected to average approximately \$100 million per year, the actual amount of TSRs received by the County has fluctuated significantly from year to year. Factors that impact the annual payments to the State include actions of the Federal government, overall declines in smoking participation rates, reduction in cigarette sales and declining market share among the participating manufacturers in the MSA, lawsuits, tobacco company bankruptcies, and various adjustments under the terms of the MSA.

In February 2006, the County issued \$319.8 million in tax-exempt Tobacco Settlement Asset-Backed Bonds (the “2006 Tobacco Bonds”). The 2006 Tobacco Bonds are secured and payable from 25.9% of the County’s TSRs beginning in 2011, which represented the initial year for the payment of debt service on the 2006 Tobacco Bonds. The proceeds from the sale of the 2006 Tobacco Bonds were used to finance a portion of the construction costs related to the Los Angeles General Medical Center, as well as to partially insure against the risk of a significant reduction of the County’s ongoing TSRs as a result of the various factors described above. On June 10, 2020, the County issued \$349.6 million of 2020 Tobacco Settlement Bonds to fully refund the 2006 Tobacco Bonds. The transaction, which is described in further detail in the Debt Summary Section of Appendix A, resulted in significant interest cost savings to the County and mitigated the risk of future default that existed with the 2006 Tobacco Bonds.

To date there have been multiple legal challenges to the MSA under a variety of claims, including claims on anti-trust and Commerce Clause grounds. None of these lawsuits has been successful or resulted in the termination of the original agreement. However, previous actions by certain participating manufacturers have reduced the settlement funding received by the State and may adversely impact future payments. Given the terms of the MSA, the fiscal impact to the County of future protests and payment adjustments to the MSA cannot be predicted at this time.

Neither the MSA nor the Memorandum of Understanding restricts the use of the County’s settlement funds to any specific purpose. Proceeds received by the County from the settlement have been deposited in the County’s General Fund and unused amounts have been set aside as obligated fund balance Committed for Health Services-Tobacco Settlement. In Fiscal Year 2022-23, the County received \$72.4 million in TSRs from the participating manufacturers. The distribution of TSRs to the County are net of the 25.9% of TSRs pledged for the repayment of the 2020 Tobacco Settlement Bonds, which have been deposited with a trustee to pay the annual debt service.

BUDGET TABLES

The 2024-25 Recommended Budget is supported by \$7.936 billion in property tax revenue, \$5.450 billion in Federal funding, \$9.703 billion in State funding, \$379 million in cancelled obligated fund balance, \$2.725 billion in Fund Balance and \$9.190 billion from other funding sources.

County of Los Angeles: General County Budget						
Historical Appropriations by Fund (in thousands)						
Fund	Final 2019-20	Final 2020-21	Final 2021-22	Final 2022-23	Final 2023-24	Recommended 2024-25
General Fund	\$ 23,925,116	\$ 25,468,803	\$ 25,413,850	\$ 28,583,600	\$ 30,966,118	\$ 29,856,295
Hospital Enterprise Fund	3,999,868	3,803,498	4,468,193	4,749,724	4,967,704	5,427,438
Total General County Budget	\$ 27,924,984	\$ 29,272,301	\$ 29,882,043	\$ 33,333,324	\$ 35,933,822	\$ 35,283,733

County of Los Angeles: General County Budget						
Historical Funding Requirements and Revenue Sources						
	Final 2019-20	Final 2020-21	Final 2021-22	Final 2022-23	Final 2023-24	Recommended 2024-25
Requirements						
Social Services	\$ 7,752,983	\$ 8,298,441	\$ 8,186,912	\$ 9,295,250	\$ 9,884,885	\$ 9,866,299
Health	9,877,992	10,438,420	10,893,123	11,731,196	12,928,360	12,945,694
Justice	6,234,098	6,308,501	6,450,531	7,138,202	7,523,508	7,410,572
Other	4,059,911	4,226,939	4,351,477	5,168,676	5,597,069	5,061,168
Total	\$ 27,924,984	\$ 29,272,301	\$ 29,882,043	\$ 33,333,324	\$ 35,933,822	\$ 35,283,733
Revenue Sources						
Property Taxes	\$ 6,043,773	\$ 6,371,071	\$ 6,586,439	\$ 7,163,808	\$ 7,607,483	\$ 7,935,874
State Assistance	6,937,808	7,146,855	7,669,963	8,811,781	9,565,638	9,702,993
Federal Assistance	4,996,732	5,633,127	5,148,436	5,489,983	6,001,402	5,449,837
Other	9,946,671	10,121,248	10,477,205	11,867,752	12,759,299	12,195,029
Total	\$ 27,924,984	\$ 29,272,301	\$ 29,882,043	\$ 33,333,324	\$ 35,933,822	\$ 35,283,733

County of Los Angeles: General County Budget						
Historical Summary of Funding Requirements by Budgetary Object and Available Financing (in thousands)						
	Final 2019-20	Final 2020-21	Final 2021-22	Final 2022-23	Final 2023-24	Recommended 2024-25
Financing Requirements						
Salaries & Employee Benefits	\$ 13,871,307	\$ 14,252,672	\$ 15,027,355	\$ 16,044,329	\$ 16,984,661	\$ 17,647,906
Services & Supplies	9,929,569	10,457,231	10,840,813	12,410,538	13,659,081	12,796,015
Other Charges	5,800,116	6,178,632	5,794,476	6,543,900	7,146,058	7,275,802
Capital Assets	1,198,684	1,432,583	1,346,599	1,486,108	1,847,405	1,710,797
Other Financing Uses	1,003,163	1,186,455	877,986	942,102	1,084,815	1,115,388
Appropriations for Contingencies	37,775	22,113	25,119	77,191	77,376	56,742
Interbudget Transfers ¹	(2,433,320)	(2,581,864)	(2,363,930)	(2,413,443)	(3,059,977)	(3,299,370)
Gross Appropriation	\$ 29,407,294	\$ 30,947,822	\$ 31,548,418	\$ 35,090,725	\$ 37,739,419	\$ 37,303,280
Less: Intrafund Transfers	1,697,201	1,883,836	1,894,352	1,985,472	1,972,104	2,043,003
Net Appropriation	\$ 27,710,093	\$ 29,063,986	\$ 29,654,066	\$ 33,105,253	\$ 35,767,315	\$ 35,260,277
Provision for Obligated Fund Balance						
General Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	3,400	-	-	-	-
Assigned for Rainy Day Funds	39,000	53,450	13,929	96,490	116,135	-
Committed Fund Balance	175,891	151,465	214,048	131,581	50,372	23,456
Total Financing Requirements	\$ 27,924,984	\$ 29,272,301	\$ 29,882,043	\$ 33,333,324	\$ 35,933,822	\$ 35,283,733
Available Financing						
Fund Balance	\$ 2,089,840	\$ 2,196,874	\$ 2,437,598	\$ 3,177,971	\$ 3,764,489	\$ 2,725,095
Cancel Provision for Obligated Fund Balance	614,950	482,861	359,685	222,647	395,690	378,645
Property Taxes: Regular Roll	5,989,000	6,316,080	6,531,284	7,104,477	7,547,149	7,875,078
Supplemental Roll	54,773	54,991	55,155	59,331	60,334	60,796
Revenue	19,176,421	20,221,495	20,498,321	22,768,898	24,166,160	24,244,119
Total Available Financing	\$ 27,924,984	\$ 29,272,301	\$ 29,882,043	\$ 33,333,324	\$ 35,933,822	\$ 35,283,733

¹ This amount includes certain non-program expenditures and revenues that are included in the budget for accounting purposes. Failure to exclude such amounts, totaling \$3.3 billion in 2024-25, from the above table would give the impression that there are more resources than are actually available and artificially inflate General County appropriations

Source: Chief Executive Office

**COUNTY OF LOS ANGELES
GENERAL COUNTY BUDGET
COMPARISON OF 2023-24 FINAL ADOPTED BUDGET TO 2024-25 RECOMMENDED BUDGET
Net Appropriation: By Function
(In thousands)**

Function	2023-24 Final ⁽¹⁾	2024-25 Recommended ⁽²⁾	Difference	Percentage Difference
REQUIREMENTS				
General				
General Government	\$ 1,826,384.0	\$ 1,669,383.0	\$ (157,001.0)	-8.60%
General Services	1,468,073.0	1,405,291.0	(62,782.0)	-4.28%
Public Buildings	1,747,549.0	1,628,159.0	(119,390.0)	-6.83%
Total General	\$ 5,042,006.0	\$ 4,702,833.0	\$ (339,173.0)	-6.73%
Public Protection				
Justice	\$ 6,487,241.0	\$ 6,578,890.0	\$ 91,649.0	1.41%
Other Public Protection	540,511.0	341,117.0	(199,394.0)	-36.89%
Total Public Protection	\$ 7,027,752.0	\$ 6,920,007.0	\$ (107,745.0)	-1.53%
Health and Sanitation	12,643,239.0	12,646,287.0	3,048.0	0.02%
Public Assistance	9,860,696.0	9,808,115.0	(52,581.0)	-0.53%
Recreation and Cultural Services	497,398.0	472,373.0	(25,025.0)	-5.03%
Education	50,726.0	44,507.0	(6,219.0)	-12.26%
Other	474,612.0	527,053.0	52,441.0	11.05%
Insurance and Loss Reserve	93,510.0	82,360.0	(11,150.0)	-11.92%
Provision for Obligated Fund Balance	166,507.0	23,456.0	(143,051.0)	-85.91%
Appropriations for Contingencies	77,376.0	56,742.0	(20,634.0)	-26.67%
Total Requirements	\$ 35,933,822.0	\$ 35,283,733.0	\$ (650,089.0)	-1.81%
AVAILABLE FUNDS				
Property Taxes	\$ 7,607,483.0	\$ 7,935,874.0	\$ 328,391.0	4.32%
Fund Balance	3,764,489.0	2,725,095.0	(1,039,394.0)	-27.61%
Cancelled Prior-Year Reserves	395,690.0	378,645.0	(17,045.0)	-4.31%
Intergovernmental Revenues				
State Revenues				
In-Lieu Taxes	\$ 447,088.0	\$ 447,088.0	\$ -	0.00%
Homeowners' Exemption	19,000.0	19,000.0	-	0.00%
Public Assistance Subventions	1,895,433.0	1,984,318.0	88,885.0	4.69%
Other Public Assistance	2,875,930.0	2,930,960.0	55,030.0	1.91%
Public Protection	1,804,679.0	1,744,960.0	(59,719.0)	-3.31%
Health and Mental Health	2,311,715.0	2,340,908.0	29,193.0	1.26%
Capital Projects	163,896.0	171,573.0	7,677.0	4.68%
Other State Revenues	47,897.0	64,186.0	16,289.0	34.01%
Total State Revenues	\$ 9,565,638.0	\$ 9,702,993.0	\$ 137,355.0	1.44%
Federal Revenues				
Public Assistance Subventions	\$ 3,084,976.0	\$ 3,211,717.0	\$ 126,741.0	4.11%
Other Public Assistance	228,490.0	209,154.0	(19,336.0)	-8.46%
Public Protection	178,658.0	81,979.0	(96,679.0)	-54.11%
Health and Mental Health	1,978,080.0	1,731,449.0	(246,631.0)	-12.47%
Capital Projects	277,080.0	63,695.0	(213,385.0)	-77.01%
Other Federal Revenues	254,118.0	151,843.0	(102,275.0)	-40.25%
Total Federal Revenues	\$ 6,001,402.0	\$ 5,449,837.0	\$ (551,565.0)	-9.19%
Other Governmental Agencies	52,778.0	51,116.0	(1,662.0)	-3.15%
Total Intergovernmental Revenues	\$ 15,619,818.0	\$ 15,203,946.0	\$ (415,872.0)	-2.66%
Fines, Forfeitures and Penalties	138,706.0	140,626.0	1,920.0	1.38%
Licenses, Permits and Franchises	70,958.0	72,200.0	1,242.0	1.75%
Charges for Services	6,358,694.0	6,750,035.0	391,341.0	6.15%
Other Taxes	246,195.0	228,001.0	(18,194.0)	-7.39%
Use of Money and Property	377,084.0	439,232.0	62,148.0	16.48%
Miscellaneous Revenues	703,311.0	739,341.0	36,030.0	5.12%
Operating Contribution from General Fund	651,394.0	670,738.0	19,344.0	2.97%
Total Available Funds	\$ 35,933,822.0	\$ 35,283,733.0	\$ (650,089.0)	-1.81%

(1) Reflects the 2023-24 Final Adopted General County Budget approved by the Board of Supervisors on October 3, 2023

(2) Reflects the 2024-25 Recommended General County Budget approved by the Board of Supervisors on April 16, 2024

COUNTY OF LOS ANGELES
FINAL ADOPTED BUDGET 2023-24 GENERAL COUNTY BUDGET ⁽¹⁾
Net Appropriation: By Fund and Function
(In thousands)

Function	General Fund	Hospital Enterprise Fund	Total General County
REQUIREMENTS			
General			
General Government	\$ 1,826,384.0	\$ -	\$ 1,826,384.0
General Services	1,468,073.0	-	1,468,073.0
Public Buildings	1,747,549.0	-	1,747,549.0
Total General	\$ 5,042,006.0	\$ -	\$ 5,042,006.0
Public Protection			
Justice	\$ 6,487,241.0	\$ -	\$ 6,487,241.0
Other Public Protection	540,511.0	-	540,511.0
Total Public Protection	\$ 7,027,752.0	\$ -	\$ 7,027,752.0
Health and Sanitation			
Public Assistance	\$ 7,675,535.0	\$ 4,967,704.0	\$ 12,643,239.0
Recreation and Cultural Services	9,860,696.0	-	9,860,696.0
Education	497,398.0	-	497,398.0
Other	50,726.0	-	50,726.0
Insurance and Loss Reserve	474,612.0	-	474,612.0
Provision for Obligated Fund Balance	93,510.0	-	93,510.0
Appropriation for Contingency	166,507.0	-	166,507.0
Total Requirements	\$ 30,966,118.0	\$ 4,967,704.0	\$ 35,933,822.0
AVAILABLE FUNDS			
Property Taxes	\$ 7,607,483.0	\$ -	\$ 7,607,483.0
Fund Balance	3,764,489.0	-	3,764,489.0
Cancel Provision for Obligated Fund Balance	80,645.0	315,045.0	395,690.0
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	\$ 447,088.0	\$ -	\$ 447,088.0
Homeowners' Exemption	19,000.0	-	19,000.0
Public Assistance Subventions	1,895,433.0	-	1,895,433.0
Other Public Assistance	2,875,930.0	-	2,875,930.0
Public Protection	1,804,679.0	-	1,804,679.0
Health and Mental Health	2,267,555.0	44,160.0	2,311,715.0
Capital Projects	163,896.0	-	163,896.0
Other State Revenues	47,897.0	-	47,897.0
Total State Revenues	9,521,478.0	44,160.0	9,565,638.0
Federal Revenues			
Public Assistance Subventions	\$ 3,084,976.0	\$ -	\$ 3,084,976.0
Other Public Assistance	228,490.0	-	228,490.0
Public Protection	178,658.0	-	178,658.0
Health and Mental Health	1,977,108.0	972.0	1,978,080.0
Capital Projects	277,080.0	-	277,080.0
Other Federal Revenues	254,118.0	-	254,118.0
Total Federal Revenues	\$ 6,000,430.0	\$ 972.0	\$ 6,001,402.0
Other Governmental Agencies	52,778.0	-	52,778.0
Total Intergovernmental Revenues	\$ 15,574,686.0	\$ 45,132.0	\$ 15,619,818.0
Fines, Forfeitures and Penalties	138,706.0	-	138,706.0
Licenses, Permits and Franchises	70,832.0	126.0	70,958.0
Charges for Services	2,962,561.0	3,396,133.0	6,358,694.0
Other Taxes	246,195.0	-	246,195.0
Use of Money and Property	367,104.0	9,980.0	377,084.0
Miscellaneous Revenues	153,417.0	549,894.0	703,311.0
Operating Contribution from General Fund	-	651,394.0	651,394.0
Total Available Funds	\$ 30,966,118.0	\$ 4,967,704.0	\$ 35,933,822.0

(1) Reflects the 2023-24 Final Adopted General County Budget approved by the Board of Supervisors on October 3, 2023

COUNTY OF LOS ANGELES
RECOMMENDED BUDGET 2024-25 GENERAL COUNTY BUDGET ⁽¹⁾
Net Appropriation: By Fund and Function
(In thousands)

<u>Function</u>	<u>General Fund</u>	<u>Hospital Enterprise Fund</u>	<u>Total General County</u>
REQUIREMENTS			
General			
General Government	\$ 1,669,383.0	\$ -	\$ 1,669,383.0
General Services	1,405,291.0	-	1,405,291.0
Public Buildings	1,628,159.0	-	1,628,159.0
Total General	\$ 4,702,833.0	\$ -	\$ 4,702,833.0
Public Protection			
Justice	\$ 6,578,890.0	\$ -	\$ 6,578,890.0
Other Public Protection	341,117.0	-	341,117.0
Total Public Protection	\$ 6,920,007.0	\$ -	\$ 6,920,007.0
Health and Sanitation			
Public Assistance	\$ 7,218,849.0	\$ 5,427,438.0	\$ 12,646,287.0
Recreation and Cultural Services	9,808,115.0	-	9,808,115.0
Education	472,373.0	-	472,373.0
Other	44,507.0	-	44,507.0
Insurance and Loss Reserve	527,053.0	-	527,053.0
Provision for Obligated Fund Balance	82,360.0	-	82,360.0
Appropriation for Contingency	23,456.0	-	23,456.0
Total Requirements	\$ 29,856,295.0	\$ 5,427,438.0	\$ 35,283,733.0
AVAILABLE FUNDS			
Property Taxes	\$ 7,935,874.0	\$ -	\$ 7,935,874.0
Fund Balance	2,725,095.0	-	2,725,095.0
Cancel Provision for Obligated Fund Balance	31,477.0	347,168.0	378,645.0
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	\$ 447,088.0	\$ -	\$ 447,088.0
Homeowners' Exemption	19,000.0	-	19,000.0
Public Assistance Subventions	1,984,318.0	-	1,984,318.0
Other Public Assistance	2,930,960.0	-	2,930,960.0
Public Protection	1,744,960.0	-	1,744,960.0
Health and Mental Health	2,235,600.0	105,308.0	2,340,908.0
Capital Projects	171,573.0	-	171,573.0
Other State Revenues	64,186.0	-	64,186.0
Total State Revenues	9,597,685.0	105,308.0	9,702,993.0
Federal Revenues			
Public Assistance Subventions	\$ 3,211,717.0	\$ -	\$ 3,211,717.0
Other Public Assistance	209,154.0	-	209,154.0
Public Protection	81,979.0	-	81,979.0
Health and Mental Health	1,730,477.0	972.0	1,731,449.0
Capital Projects	63,695.0	-	63,695.0
Other Federal Revenues	151,843.0	-	151,843.0
Total Federal Revenues	\$ 5,448,865.0	\$ 972.0	\$ 5,449,837.0
Other Governmental Agencies	51,116.0	-	51,116.0
Total Intergovernmental Revenues	\$ 15,097,666.0	\$ 106,280.0	\$ 15,203,946.0
Fines, Forfeitures and Penalties	140,606.0	20.0	140,626.0
Licenses, Permits and Franchises	72,074.0	126.0	72,200.0
Charges for Services	3,049,425.0	3,700,610.0	6,750,035.0
Other Taxes	228,001.0	-	228,001.0
Use of Money and Property	419,764.0	19,468.0	439,232.0
Miscellaneous Revenues	156,313.0	583,028.0	739,341.0
Operating Contribution from General Fund	-	670,738.0	670,738.0
Total Available Funds	\$ 29,856,295.0	\$ 5,427,438.0	\$ 35,283,733.0

(1) Reflects the 2024-25 Recommended General County Budget approved by the Board of Supervisors on April 16, 2024

FINANCIAL SUMMARY

PROPERTY TAX RATE, VALUATION AND LEVY

Taxes are levied each fiscal year on taxable real and personal property located in the County as of the preceding January 1st. Upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situation" growth in assessed value (new construction, change of ownership, and inflation) prorated among the jurisdictions which serve the tax areas where the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than citywide special districts.

PAYMENT DATES AND LIENS

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, with a ten percent penalty assessed to any delinquent payments. Any property on the secured roll with delinquent taxes as of July 1 is declared tax defaulted. Such property taxes may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the County Treasurer and Tax Collector.

Property taxes on the unsecured roll are due as of the January 1st lien date and become delinquent, if unpaid, by August 31st. A ten percent penalty attaches to delinquent property taxes on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1st. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

LARGEST TAXPAYERS

The twenty largest taxpayers in the County included on the Fiscal Year 2023-24 secured property tax roll, and the approximate amounts of their aggregate levies for all taxing jurisdictions within the County are shown below. Property owned by the twenty largest taxpayers had a full cash value of \$57,430,748,091, which constitutes only TBD% of the total full cash value for the entire County.

Taxpayer	Total Tax Levy 2023-24
SOUTHERN CALIFORNIA EDISON CO	\$ 159,211,341
SOUTHERN CALIFORNIA GAS COMPANY	61,364,978
REXFORD INDUSTRIAL	60,959,590
TESORO REFINING AND MARKETING CO	56,496,094
DOUGLAS EMMETT RESIDENTIAL	45,374,362
PINCAY RE LLC LESSOR	39,418,623
EQR / ERP LIMITED	35,261,077
CHEVRON USA INC	32,066,302
MAGUIRE PROPERTIES	29,628,247
AMB/MAR CARSON LLC	28,452,723
TISHMAN SPEYER / ARCHSTONE SMITH / ASN	25,423,243
AT&T MOBILITY LLC	21,649,021
ESSEX PORTFOLIO LP	19,781,847
PHILLIPS 66 PIPE LINE LLC	19,038,627
CENTURY CITY MALL LLC	13,848,316
FSP SOUTH FLOWER STREET	12,547,145
DE PACIFIC 9665 LLC	12,070,194
CJDB LLC LESSOR AND	11,718,986
DUKE REALTY WILMINGTON LP	11,671,662
DEL AMO FASHION CENTER OPERATING	11,272,536
	\$ 707,254,913

Total may not add due to rounding.
Source: Los Angeles County Treasurer and Tax Collector

PROPERTY TAXATION AND COLLECTIONS

The table on the following page compares the full cash values, property tax levies and collections from Fiscal Years 2019-20 through 2023-24.

COUNTY OF LOS ANGELES
 COMPARISON OF FULL CASH VALUE
 PROPERTY TAXATION AND COLLECTIONS
 FISCAL YEARS 2019-20 THROUGH 2023-24

Fiscal Year	Full Cash Value ⁽¹⁾	General Fund Secured Property Tax Levies	General Fund Secured Property Tax Collections ⁽²⁾	Current Collection As a Percent of Levies %
2019-20	\$1,549,271,724,044	\$3,748,846,036	\$3,664,667,048	97.75%
2020-21	1,643,560,494,991	3,959,536,042	3,893,270,771	98.33%
2021-22	1,708,149,256,743	4,123,258,603	4,059,314,940	98.45%
2022-23	1,826,210,292,243	4,402,793,495	4,334,514,794	98.45%
2023-24				⁽³⁾ #DIV/0!

(1) Full cash values reflect the equalized assessment roll as reported in August of each year; mid-year adjustments are reflected in the following year's values. Incremental full cash values of properties within project areas designated by successor redevelopment agencies are excluded. See "Successor Redevelopment Agencies".

(2) Reflects collection within the fiscal year originally levied.

(3) Preliminary estimate based on Fiscal Year 2022-23 collections.

SUCCESSOR REDEVELOPMENT AGENCIES

Pursuant to ABX1 26, all redevelopment agencies were dissolved effective February 1, 2012. ABX1 26 prohibited redevelopment agencies from engaging in new business, provided for their eventual wind down and dissolution, and required that successor agencies be created to take over from the former agencies. Any tax increment remaining after the payment of enforceable legal obligations, pass-through payments and limited administrative costs will be distributed as property tax revenue to the appropriate taxing entities, including the County. Prior to their dissolution, the estimated annual tax increment to fund redevelopment agencies in the County was approximately \$453.0 million. A more detailed discussion of the redevelopment agency dissolution is provided in the Budgetary Information section of this Appendix A.

The following table shows full cash value increments and total tax allocations to community redevelopment agencies for Fiscal Years 2019-20 through 2023-24.

COMMUNITY REDEVELOPMENT AGENCY (CRA)
 PROJECTS IN THE COUNTY OF LOS ANGELES
 FULL CASH VALUE AND TAX ALLOCATIONS
 FISCAL YEARS 2019-20 THROUGH 2023-24

Fiscal Year	Full Cash Value Increments ⁽¹⁾	Total Tax Allocations ⁽²⁾
2019-20	\$220,959,568,982	\$2,006,676,731
2020-21	238,966,302,250	2,240,003,569
2021-22	250,158,784,812	2,272,777,323
2022-23	265,699,780,678	2,377,926,942
2023-24	282,248,200,705	1,977,924,720 ⁽³⁾

(1) Equals the full cash value for all redevelopment project areas above their base year valuations. This data represents growth in full cash values which generates tax revenues for use by former community redevelopment agencies and their successor agencies created under ABX1 26.

(2) Includes actual cash revenues collected by the County and subsequently paid to redevelopment agencies, which includes incremental growth allocation, debt service, mid-year changes and Supplemental Roll.

(3) Total CRA Tax Allocations from November 2023 through April 2024.

CASH MANAGEMENT PROGRAM

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. Conversely, receipts from the two largest sources of County revenue follow an uneven pattern, primarily as a result of unpredictable delays in payments from other governmental agencies and the significant amount of secured property tax revenue received close to the December and April due dates for the first and second installments, respectively.

As a result of the uneven pattern of revenue receipts, the General Fund cash balance prior to Fiscal Year 1977-78 had typically been negative for most of the year and had been covered in part by interfund borrowings pursuant to Section 6 of Article XVI of the California Constitution. "Interfund borrowing" is borrowing from specific funds of other governmental entities whose funds are held in the County Treasury. Because such borrowings caused disruptions in the General Fund's management of pooled investments, beginning in 1977, the County eliminated the practice of interfund borrowing and replaced it with a program to manage its cash flow needs by issuing tax and revenue anticipation notes (TRANS) for the General Fund and by using intrafund borrowing.

The use of "intrafund borrowing" for General Fund purposes represents borrowing against funds that are held in trust by the County. Such funds, with the exception of the Hospital Enterprise Funds, are held by the County on a pre-apportionment basis until they are eventually distributed to County operating funds (such as the General Fund) or other governmental agencies. All intrafund borrowings used for General Fund purposes, and all notes issued in connection with the County's cash management program have been repaid in accordance with their required maturity dates.

2023-24 Tax and Revenue Anticipation Notes

Pursuant to California law and a resolution adopted by the Board of Supervisors on May 16, 2023, the County issued the 2023-24 TRANs with an aggregate principal amount of \$700,000,000 due on June 30, 2024. The 2023-24 TRANs are general obligations of the County attributable to Fiscal Year 2023-24 and are secured by a pledge of certain unrestricted taxes, income, revenue, cash receipts and other moneys which will be received by, or accrue to the County in Fiscal Year 2023-24, and are lawfully available for the payment of current expenses and other obligations of the County.

Under the Resolution and Financing Certificate executed by the Treasurer and Tax Collector, the County pledged to deposit sufficient revenues into a Repayment Fund during Fiscal Year 2023-24 for the purpose of repaying the 2023-24 TRANs on the June 30, 2024 maturity date. The deposits to the Repayment Fund have been made in accordance with the following schedule:

COUNTY OF LOS ANGELES 2023-24 TAX AND REVENUE ANTICIPATION NOTES SCHEDULE OF DEPOSITS TO REPAYMENT FUND*	
Deposit Date	Deposit Amount
December, 2023	\$315,000,000
January, 2024	315,000,000
April, 2024	104,513,889
Total	\$734,513,889

* Includes \$700,000,000 of 2023-24 TRANs principal and 5.00% interest.

The County has always maintained full compliance with its deposit obligations with respect to its TRANs program. The following table illustrates the unrestricted General Fund receipts collected on a cash flow basis from Fiscal Year 2018-19 to Fiscal Year 2022-23.

COUNTY OF LOS ANGELES
GENERAL FUND
UNRESTRICTED GENERAL FUND RECEIPTS (in thousands)

	2018-19	2019-20	2020-21	2021-22	2022-23
Property Taxes	\$ 5,863,749	\$ 6,114,188	\$ 6,632,057	\$ 6,757,307	\$ 7,488,759
Other Taxes	237,801	217,568	227,840	293,548	271,809
Licenses, Permits and Franchises	63,675	69,060	65,989	71,281	73,784
Fines, Forfeitures and Penalties	182,212	195,093	147,618	166,194	175,622
Investment and Rental Income	279,386	247,094	143,986	149,077	362,993
State In-Lieu Taxes	174,428	339,802	(101,848)	407,236	364,801
State Homeowner Exemptions	18,797	18,536	18,382	18,419	18,299
Charges for Current Services	1,937,848	2,301,629	3,042,996	2,606,320	2,832,406
Other Revenue*	1,057,288	1,106,808	1,525,749	1,264,482	1,504,348
TOTAL UNRESTRICTED RECEIPTS	\$ 9,815,184	\$ 10,609,778	\$ 11,702,769	\$ 11,733,864	\$ 13,092,821

Detail may not add due to rounding.

Source: Los Angeles County Chief Executive Office

* Includes Tobacco Settlement Revenue

Intrafund and Interfund Borrowing

To the extent necessary, the County intends to use intrafund (and not interfund) borrowing to cover its General Fund cash needs, including projected year-end cash requirements. If the County determines that it is necessary to utilize interfund borrowing, then such borrowing may not occur after the last Monday in April of each fiscal year and must be repaid before any other obligation of the County. The County does not intend to engage in interfund borrowing for the General Fund.

Funds Available for Intrafund Borrowing

After the tax and revenue anticipation note proceeds are utilized, the General Fund may borrow from three fund groups to meet its cash flow needs. The most significant group is the Property Tax Group, which consists of collected property taxes that are awaiting apportionment. The great majority of these amounts will be distributed to other governmental agencies such as school districts.

The second most significant borrowing source includes the various Trust Group funds. The largest of these funds is the Departmental Trust Fund, which consists of various collections, such as court fines and other revenues, awaiting distribution. The majority of these funds will eventually be distributed to entities outside the County. Also included in this group is the Payroll Revolving Fund, which is used as a clearing account for County payroll operations and has a cash balance that consists exclusively (except for a small portion related to the County Superior Court) of advances from funds included in the General County Budget.

The last fund group consists of the Hospital Enterprise Funds. The balances in these funds are different from those in the Property Tax Group and Trust Group in that the Hospital Enterprise Funds are included in the General County Budget. Furthermore, these funds are considered as part of the General Fund for purposes of sizing the County's annual TRANS financing.

The Hospital Enterprise Funds generally represent working capital advances from the General Fund and cash generated from the County hospitals. At year-end, the remaining balances are transferred back to the General Fund.

The average daily balances shown for these intrafund sources are not necessarily indicative of the balances on any given day. The balances in certain funds, such as those in the Property Tax Group, can fluctuate significantly throughout the month. The General Fund cash balance also fluctuates during the month, with the third week being the lowest and month-end the highest due to the timing of revenue deposits from the State and the receipt of welfare advances on the last business day of the month.

The legality of the County's practice of intrafund borrowing was decided and affirmed by the California Court of Appeals in May 1999, in the case entitled *Stanley G. Auerbach et al v. Board of Supervisors of the County of Los Angeles et al.*

The tables at the end of this Financial Summary Section provide a monthly summary of the funds available to the County for intrafund borrowing in Fiscal Year 2022-23 and Fiscal Year 2023-24.

General Fund Cash Flow Statements

The Fiscal Year 2022-23 and Fiscal Year 2023-24 General Fund Cash Flow Statements are provided at the end of this Financial Summary Section. In Fiscal Year 2022-23, the County had an ending General Fund cash balance of \$TBD billion. For Fiscal Year 2023-24, the County is estimating an ending General Fund cash balance of \$TBD billion.

COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector has delegated authority to invest funds on deposit in the County Treasury Pool (the "Treasury Pool"). As of February 29, 2024, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in Billions)
County of Los Angeles and Special Districts	\$ 22.953
Schools and Community Colleges	29.866
Independent Public Agencies	3.712
Total	\$ 56.531

Of these entities, the discretionary participants accounted for 6.57% of the total Treasury Pool.

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 21, 2023, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated April 1, 2024, the February 29, 2024 book value of the Treasury Pool was approximately \$56.531 billion and the corresponding market value was approximately \$54.130 billion.

The County maintains a strong system of internal controls for monitoring the cash accounting and investment process. The Treasurer's Internal Controls Branch (ICB) operates independently from the Investment Office and reconciles cash and investments to fund balances on a daily basis. ICB staff also reviews each investment trade for accuracy and compliance with the Board of Supervisor's adopted Investment Policy. On a quarterly basis, the County's external independent auditor (the "External Auditor") reviews the cash and investment

reconciliations for completeness and accuracy, and reviews investment transactions to ensure compliance with the Investment Policy.

The following table identifies the types of securities held by the Treasury Pool as of February 29, 2024:

Type of Investment	% of Pool
Certificates of Deposit	4.07
U.S. Government and Agency Obligations	69.37
Bankers Acceptances	0.00
Commercial Paper	26.47
Municipal Obligations	0.07
Corporate Notes & Deposit Notes	0.02
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00

The Treasury Pool is highly liquid. As of February 29, 2024, approximately 33.28% of the investments mature within 60 days, with an average of 705 days to maturity for the entire portfolio.

The County complements its conservative investment policies with a well-established practice of market research and due diligence. The Treasury Pool did not experience a single investment loss as a result of the global financial crisis in Fiscal Year 2008-09. Furthermore, the County has never purchased any structured investment vehicles nor any securities with material exposure to sub-prime mortgages.

FINANCIAL STATEMENTS-GAAP BASIS

Since Fiscal Year 1980-81, the County has prepared its general purpose financial statements in conformity with Generally Accepted Accounting Principles (GAAP) for State and local governments, with annual audits performed by independent certified public accountants.

The basic financial statements for the Fiscal Year ended June 30, 2023, and the unmodified opinion of Macias Gini & O’Connell LLP are attached hereto as Appendix B. Since 1982, the County’s Annual Comprehensive Financial Reports have received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

The County budget for the upcoming fiscal year is prepared in accordance with the County Budget Act prior to the issuance of GAAP financial statements for the current fiscal year. The 2023-24 Final Adopted Budget included an available General Fund balance of \$3,736,489,000 as of June 30, 2023.

The amounts presented for the General Fund in accordance with GAAP are based on the modified accrual basis of accounting and differ from the amounts presented on the budgetary basis of accounting. The major areas of difference are described as follows:

- For budgetary purposes, nonspendable, restricted, committed and assigned fund balances and the portion of unassigned fund balance reserved for the “Rainy Day” fund are recorded as other financing uses at the time they are established. The County recognizes them as uses of budgetary fund balance. The nonspendable, restricted, committed, and assigned fund balances that are subsequently cancelled or otherwise made available are

recorded as changes in fund balance from other financing sources.

- Under the budgetary basis of accounting, revenues (primarily intergovernmental) are recognized at the time encumbrances are established for certain programs and capital improvements. The intent of the budgetary policy is to match the use of budgetary resources (for amounts encumbered but not yet expended) with funding sources that will materialize as revenues when actual expenditures are incurred. Under the modified accrual basis, revenues are not recognized until the qualifying expenditures are incurred and amounts are collected within the County’s availability period.
- General Fund obligations for accrued compensated absences and estimated liabilities for litigation and self-insurance are recorded as budgetary expenditures to the extent that they are estimated to be payable within a one -year period after the fiscal year end. Under the modified accrual basis of accounting, such expenditures are not recognized until they become due and payable in accordance with GASB Interpretation No. 6.
- In conjunction with the sale of the 2006 Tobacco Bonds in Fiscal Year 2005-06, the County sold a portion of its future tobacco settlement revenues. Under the budgetary basis of accounting, the bond proceeds were recognized as revenues. Under the modified accrual basis of accounting, the bond proceeds were recorded as deferred inflows of resources and were being recognized over the duration of the sale agreement, in accordance with GASB Statements No. 48 and No. 65. This matter is discussed in further detail in Note 11 to the 2022-23 Annual Comprehensive Financial Report, under the caption, “Tobacco Settlement Asset-Backed Bonds.”
- Under the budgetary basis of accounting, property tax revenues are recognized to the extent that they are collectible within a one-year period after the fiscal year end. Under the modified accrual basis of accounting, property tax revenues are recognized only to the extent that they are collectible within 60 days.
- For budgetary purposes, investment income is recognized prior to the effect of changes in the fair value of investments. Under the modified accrual basis of accounting, the effects of such fair value changes have been recognized as a component of investment income.
- The County determined that certain assets were held by LACERA (as the OPEB administrator) in an OPEB Custodial Fund. For budgetary purposes, any excess payments (beyond the pay-as-you-go amount) are recognized as expenditures. Under the modified accrual basis of accounting, the expenditures are adjusted to recognize the OPEB Custodial assets as of June 30, 2023.

The tables below provide a reconciliation of the General Fund’s June 30, 2023 fund balance on a budgetary and GAAP basis, and a summary of the audited Balance Sheets and Statements of Revenues and Expenditures and Changes in Fund Balance from Fiscal Year 2018-19 to Fiscal Year 2022-23.

COUNTY OF LOS ANGELES
 GENERAL FUND
 RECONCILIATION OF FUND BALANCE FROM BUDGETARY TO GAAP BASIS
 JUNE 30, 2023 (in thousands of \$)

Unassigned Fund Balance - Budgetary Basis	\$3,764,489
Adjustments:	
Accrual of budgetary liabilities for litigation and self-insurance claims not required by GAAP	328,909
Change in receivables for health insurers rebates held in LACERA OPEB Custodial Fund	231,550
Accrual of liabilities for accrued compensated absences not required by GAAP	105,873
Change in revenue accruals	(214,251)
Deferral of property tax receivables	(104,264)
Deferral of sale of tobacco settlement revenue	(183,207)
Change in fair value of Investments	(503,629)
Nonspendable long-term receivable	109
Reserve for "Rainy Day" Fund	854,920
Unassigned Fund Balance - GAAP Basis	\$4,280,499

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COUNTY OF LOS ANGELES
BALANCE SHEET AT JUNE 30, 2019, 2020, 2021, 2022, and 2023
GENERAL FUND-GAAP BASIS (in thousands of \$)

ASSETS

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Pooled Cash and Investments	\$ 4,234,098	\$ 5,027,623	\$ 7,656,800	\$ 9,550,790	\$ 9,934,126
Other Investments	3,973	3,678	3,351	2,988	2,588
Taxes Receivable	190,819	260,740	243,220	262,404	273,191
Lease Receivable*				1,864,647	1,833,620
Other Receivables	2,466,846	3,579,508	3,415,900	3,469,989	3,829,493
Due from Other Funds	757,525	872,764	600,132	875,872	836,933
Advances to Other Funds	634,848	77,748	18,084	18,221	17,738
Inventories	58,050	66,482	117,370	163,736	137,240
Total Assets	\$ 8,346,159	\$ 9,888,543	\$ 12,054,857	\$ 16,208,647	\$ 16,864,929

LIABILITIES

Accounts Payable	\$ 636,560	\$ 790,780	\$ 684,009	\$ 627,573	\$ 712,573
Accrued Payroll	445,506	457,444	481,556	489,407	523,652
Other Payables	165,114	91,569	94,890	31,838	163,099
Due to Other Funds	212,300	246,092	489,473	346,213	345,155
Advances Payable	1,812,610	3,073,192	4,500,312	6,225,152	5,979,531
Third-Party Payor Liability	56,297	92,105	181,002	289,706	195,652
Total Liabilities	\$ 3,328,387	\$ 4,751,182	\$ 6,431,242	\$ 8,009,889	\$ 7,919,662

DEFERRED INFLOWS OF RESOURCES	\$ 583,763	\$ 618,557	\$ 689,891	\$ 2,581,104	\$ 2,462,210
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FUND BALANCES

Nonspendable	\$ 311,958	\$ 126,630	\$ 225,233	\$ 284,841	\$ 263,367
Restricted	79,210	83,372	55,061	64,516	77,629
Committed	780,517	594,193	597,337	759,944	832,792
Assigned	620,773	696,775	790,573	774,267	1,028,770
Unassigned	2,641,551	3,017,834	3,265,520	3,734,086	4,280,499
Total Fund Balances	\$ 4,434,009	\$ 4,518,804	\$ 4,933,724	\$ 5,617,654	\$ 6,483,057
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,346,159	\$ 9,888,543	\$ 12,054,857	\$ 16,208,647	\$ 16,864,929

Sources: Annual Comprehensive Financial Reports for fiscal years ended June 30, 2019, 2020, 2021, 2022, and 2023.

*The County implemented GASB Statement 87 "Leases" in FY 2021-22. As of June 30, 2022, Lease Receivable is reported in the new required GASB 87 format.

COUNTY OF LOS ANGELES
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND-GAAP BASIS FISCAL YEARS 2018-19 THROUGH 2022-23 (in thousands of \$)

	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES:					
Taxes	\$ 6,034,742	\$ 6,321,404	\$ 6,894,825	\$ 7,161,038	\$ 7,643,986
Licenses, Permits & Franchises	63,538	70,299	63,193	70,654	72,609
Fines, Forfeitures and Penalties	187,979	184,798	163,163	173,404	176,609
Use of Money and Property	366,116	256,737	77,633	(176,046)	369,173
Aid from Other Government	10,224,347	10,932,846	12,957,099	12,664,511	13,804,835
Charges for Services	2,505,049	2,964,007	2,909,960	2,728,979	2,908,286
Miscellaneous Revenues	169,320	248,008	217,269	240,128	245,625
TOTAL	\$ 19,551,091	\$ 20,978,099	\$ 23,283,142	\$ 22,862,668	\$ 25,221,123
EXPENDITURES					
General	\$ 1,284,824	\$ 1,504,452	\$ 1,807,937	\$ 1,193,470	\$ 1,870,449
Public Protection	5,893,865	6,130,313	6,149,194	6,330,770	6,720,622
Health and Sanitation	5,065,138	5,727,283	5,968,030	6,380,309	6,468,543
Public Assistance	6,501,712	6,893,502	7,898,985	7,555,772	8,549,336
Recreation and Cultural Services	386,217	407,052	398,537	427,224	477,197
Debt Service	37,519	35,596	31,172	143,214	186,397
Capital Outlay	1,586	1,052	1,134	58,841	341,816
Total	\$ 19,170,861	\$ 20,699,250	\$ 22,254,989	\$ 22,089,600	\$ 24,614,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 380,230	\$ 278,849	\$ 1,028,153	\$ 773,068	\$ 607,077
OTHER FINANCING SOURCES (USES):					
Operating Transfers from (to)					
Other Funds-Net	\$ 155,233	\$ (196,378)	\$ (616,679)	\$ (149,735)	\$ (84,670)
Sales of Capital Assets	\$1,769	\$1,272	\$2,312	\$1,756	\$1,180
Capital Leases	1,586	1,052	1,134	58,841	280,778
Subscriptions*					61,038
OTHER FINANCING SOURCES (USES)-Net	\$ 158,588	\$ (194,054)	\$ (613,233)	\$ (89,138)	\$ 258,326
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	538,818	84,795	414,920	683,930	865,403
Beginning Fund Balance	3,895,191	4,434,009	4,518,804	4,933,724	5,617,654
Ending Fund Balance	\$ 4,434,009	\$ 4,518,804	\$ 4,933,724	\$ 5,617,654	\$ 6,483,057

Sources: Annual Comprehensive Financial Reports for fiscal years ended June 30, 2019, 2020, 2021, 2022, and 2023.

*The County implemented GASB Statement 96 "Subscription Based IT Arrangements" in FY 2022-23. As of June 30, 2023, Subscriptions Other Financing Uses is reported in the new required GASB 96 format.

**COUNTY OF LOS ANGELES BORROWABLE RESOURCES
FUNDS AVAILABLE FOR INTRAFUND BORROWING**

**2022-23: 12 MONTHS ACTUAL
2023-24: 9 MONTHS ACTUAL**

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COUNTY OF LOS ANGELES BORROWABLE RESOURCES
AVERAGE DAILY BALANCES: Fiscal Year 2022-23
FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of \$)

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022
PROPERTY TAX GROUP						
Tax Collector Trust Fund	\$ 123,881	\$ 57,792	\$ 65,183	\$ 654,873	\$ 2,487,412	\$ 3,198,666
Auditor Unapportioned Property Tax	754,818	158,243	88,057	134,026	1,168,825	3,991,430
Unsecured Property Tax	209,706	189,491	197,994	237,215	179,575	110,323
Miscellaneous Fees & Taxes	386	418	395	397	391	340
State Redemption Fund	31,588	54,951	71,304	101,246	53,529	39,669
Education Revenue Augmentation	80,885	73,388	122,252	122,252	145,017	611,854
State Reimbursement Fund	0	0	0	0	399	9,233
Vehicle License Fee Replacement Fund	0	119,500	137,204	137,204	137,204	241,843
Property Tax Rebate Fund	4,045	17,875	18,579	21,164	21,389	13,405
Utility User Tax Trust Fund	1,230	1,073	3,787	8,185	12,984	10,192
Subtotal	\$ 1,206,539	\$ 672,731	\$ 704,755	\$ 1,416,562	\$ 4,206,725	\$ 8,226,955
VARIOUS TRUST GROUP						
Departmental Trust Fund	\$ 565,690	\$ 461,420	\$ 444,169	\$ 465,091	\$ 505,035	\$ 482,621
Non-County Entities Trust Fund	51,276	72,098	88,470	90,838	92,280	91,006
Payroll Revolving Fund	70,019	68,251	71,297	87,811	72,971	74,975
Asset Development Fund	53,056	52,781	52,757	53,054	53,099	50,002
Productivity Investment Fund	7,198	7,046	6,828	6,343	6,113	6,054
Motor Vehicle Capital Outlays	749	749	749	749	4,037	7,039
Civic Center Parking	181	230	254	351	218	260
Reporters Salary Fund	354	313	472	460	434	322
Cable TV Franchise Fund	16,437	15,969	16,299	16,383	15,896	16,146
Megaflex Long-Term Disability	10,238	10,140	10,052	10,136	9,989	9,994
Megaflex Long-Term Disability & Health	15,260	15,348	15,442	15,521	15,614	15,703
Megaflex Short-Term Disability	80,911	81,696	82,219	82,775	83,367	83,958
Subtotal	\$ 871,369	\$ 786,041	\$ 789,008	\$ 829,512	\$ 859,053	\$ 838,080
HOSPITAL GROUP						
Harbor-UCLA Medical Center	\$ 188,583	\$ 84,118	\$ 90,427	\$ 162,013	\$ 146,075	\$ 74,676
Olive View-UCLA Medical Center	105,968	73,818	15,706	60,935	43,230	7,721
LAC+USC Medical Center	184,319	103,770	18,077	102,648	75,852	3,112
Rancho Los Amigos Rehab Center	142,307	94,986	114,837	119,731	111,411	92,205
Health Services - Harbor-UCLA Medical Center	175,000	175,000	175,069	175,211	175,441	175,721
Subtotal	\$ 796,177	\$ 531,692	\$ 414,116	\$ 620,538	\$ 552,009	\$ 353,435
GRAND TOTAL	\$ 2,874,085	\$ 1,990,464	\$ 1,907,879	\$ 2,866,612	\$ 5,617,787	\$ 9,418,470

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	
PROPERTY TAX GROUP						
\$ 1,377,907	\$ 665,330	\$ 1,110,893	\$ 3,898,615	\$ 470,895	\$ 254,986	Tax Collector Trust Fund
1,838,083	1,282,135	1,021,830	1,885,402	1,651,008	284,709	Auditor Unapportioned Property Tax
101,595	82,896	68,709	60,646	80,844	120,844	Unsecured Property Tax
398	417	400	397	385	367	Miscellaneous Fees & Taxes
36,875	27,915	26,771	25,892	20,159	25,985	State Redemption Fund
709,902	585,926	51,154	398,628	293,200	222,217	Education Revenue Augmentation
17,550	720	720	3,516	16,858	7,458	State Reimbursement Fund
698,320	166,087	828,360	888,052	877,825	0	Vehicle License Fee Replacement Fund
11,511	14,032	26,483	34,660	26,124	17,149	Property Tax Rebate Fund
13,358	15,536	15,681	21,062	16,776	12,124	Utility User Tax Trust Fund
\$ 4,805,499	\$ 2,840,994	\$ 3,151,001	\$ 7,216,870	\$ 3,454,074	\$ 945,839	Subtotal
VARIOUS TRUST GROUP						
\$ 631,324	\$ 635,389	\$ 745,141	\$ 633,082	\$ 579,836	\$ 519,254	Departmental Trust Fund
90,884	106,502	102,265	103,802	110,797	112,503	Non-County Entities Trust Fund
100,531	61,240	64,037	74,807	65,631	58,631	Payroll Revolving Fund
20,931	20,967	21,127	21,881	22,175	22,293	Asset Development Fund
5,990	5,850	7,279	9,692	9,646	8,692	Productivity Investment Fund
7,039	7,039	7,017	6,971	6,962	6,943	Motor Vehicle Capital Outlays
230	128	57	206	207	190	Civic Center Parking
287	300	387	295	400	439	Reporters Salary Fund
16,089	15,699	15,879	15,732	15,499	15,915	Cable TV Franchise Fund
10,111	9,966	10,058	10,136	10,083	10,199	Megaflex Long-Term Disability
15,812	15,822	15,780	15,893	15,983	16,065	Megaflex Long-Term Disability & Health
84,807	85,482	86,306	87,053	87,764	88,479	Megaflex Short-Term Disability
\$ 984,035	\$ 964,384	\$ 1,075,333	\$ 979,550	\$ 924,983	\$ 859,603	Subtotal
HOSPITAL GROUP						
\$ 13,354	\$ 15,699	\$ 4,709	\$ 328,171	\$ 471,461	\$ 416,831	Harbor-UCLA Medical Center
3,598	10,297	2,126	124,452	171,581	119,547	Olive View-UCLA Medical Center
(1,199)	28,850	11,479	168,123	208,914	214,290	LAC + USC Medical Center
70,877	23,996	(1,828)	124,200	194,838	177,923	Rancho Los Amigos Rehab Center
176,026	176,447	176,795	177,261	177,685	178,264	Health Services - Harbor-UCLA Medical Center
\$ 262,656	\$ 255,289	\$ 193,281	\$ 922,207	\$ 1,224,479	\$ 1,106,855	Subtotal
\$ 6,052,190	\$ 4,060,667	\$ 4,419,615	\$9,118,627	\$5,603,536	\$2,912,297	GRAND TOTAL

COUNTY OF LOS ANGELES BORROWABLE RESOURCES
 AVERAGE DAILY BALANCES: Fiscal Year 2023-24
 FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of \$)

	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023
PROPERTY TAX GROUP						
Tax Collector Trust Fund	\$ 106,486	\$ 67,570	\$ 43,947	\$ 723,413	\$ 1,950,721	\$ 4,879,179
Auditor Unapportioned Property Tax	428,303	203,377	166,735	249,448	2,061,666	2,762,255
Unsecured Property Tax	196,882	164,022	207,494	250,032	187,685	115,997
Miscellaneous Fees & Taxes	328	358	402	357	361	392
State Redemption Fund	31,048	60,058	60,762	68,411	32,540	34,542
Education Revenue Augmentation	22,878	71,863	0	0	22,825	615,370
State Reimbursement Fund	0	0	0	0	392	9,933
Vehicle License Fee Replacement Fund	0	50,039	192,489	192,489	192,489	214,371
Property Tax Rebate Fund	17,455	28,806	23,688	20,353	40,138	35,602
Utility User Tax Trust Fund	1,841	554	4,710	9,909	15,520	19,146
Subtotal	\$ 805,221	\$ 646,647	\$ 700,227	\$ 1,514,412	\$ 4,504,337	\$ 8,686,787
VARIOUS TRUST GROUP						
Departmental Trust Fund	\$ 511,834	\$ 560,562	\$ 642,866	\$ 683,350	\$ 778,382	\$ 708,233
Non-County Entities Trust Fund	97,403	84,114	84,656	81,384	78,177	69,328
Payroll Revolving Fund	77,803	65,843	65,686	84,484	60,090	61,112
Asset Development Fund	22,335	22,119	22,139	22,160	22,179	22,188
Productivity Investment Fund	9,178	9,399	9,119	9,100	8,287	8,294
Motor Vehicle Capital Outlays	6,930	6,930	6,918	6,479	6,356	6,249
Civic Center Parking	98	548	540	558	536	441
Reporters Salary Fund	313	402	379	540	700	530
Cable TV Franchise Fund	15,505	15,227	15,578	15,504	15,247	15,741
Megaflex Long-Term Disability	10,293	10,291	10,464	10,691	10,609	10,821
Megaflex Long-Term Disability & Health	16,170	16,249	16,351	16,453	16,539	16,647
Megaflex Short-Term Disability	89,041	89,560	90,027	90,718	91,232	92,046
Subtotal	\$ 856,903	\$ 881,244	\$ 964,723	\$ 1,021,421	\$ 1,088,334	\$ 1,011,630
HOSPITAL GROUP						
Harbor-UCLA Medical Center	\$ 261,589	\$ 155,995	\$ 18,880	\$ 55,635	\$ 58,007	\$ 9,287
Olive View-UCLA Medical Center	79,269	77,343	124,518	143,981	125,826	101,209
Los Angeles General Medical Center	149,168	115,203	115,890	97,815	60,529	19,332
Rancho Los Amigos Rehab Center	188,217	139,786	61,133	31,056	26,714	12,695
Health Services - Harbor-UCLA Medical Center	178,928	179,468	179,909	180,360	180,966	181,520
Subtotal	\$ 857,171	\$ 667,795	\$ 500,330	\$ 508,847	\$ 452,042	\$ 324,043
GRAND TOTAL	\$ 2,519,295	\$ 2,195,686	\$ 2,165,280	\$ 3,044,680	\$ 6,044,713	\$ 10,022,460

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2024	February 2024	March 2024	Estimated April 2024	Estimated May 2023	Estimated June 2023	
PROPERTY TAX GROUP						
\$ 826,748	\$ 640,990	\$ 1,116,927	\$ 3,976,587	\$ 1,331,653	\$ 178,866	Tax Collector Trust Fund
2,380,027	1,397,565	1,173,119	1,923,110	919,767	200,439	Auditor Unapportioned Property Tax
110,996	104,773	83,055	61,859	66,636	137,381	Unsecured Property Tax
451	366	380	405	6,462	9,503	Miscellaneous Fees & Taxes
25,212	22,231	21,465	26,410	20,743	27,078	State Redemption Fund
457,217	295,235	6,008	406,601	252,347	180,655	Education Revenue Augmentation
16,306	639	639	3,586	20,518	12,068	State Reimbursement Fund
916,902	390,414	816,377	905,813	769,802	0	Vehicle License Fee Replacement Fund
22,704	33,087	37,210	35,353	8,735	0	Property Tax Rebate Fund
17,390	21,345	26,792	21,483	12,157	12,220	Utility User Tax Trust Fund
\$ 4,773,953	\$ 2,906,645	\$ 3,281,972	\$ 7,361,207	\$ 3,408,820	\$ 758,210	Subtotal
VARIOUS TRUST GROUP						
\$ 806,827	\$ 721,071	\$ 727,684	\$ 645,744	\$ 486,928	\$ 538,356	Departmental Trust Fund
68,594	76,645	76,184	105,878	39,026	43,148	Non-County Entities Trust Fund
92,580	52,195	60,341	76,303	69,971	55,252	Payroll Revolving Fund
22,213	22,228	22,575	22,319	52,164	47,151	Asset Development Fund
8,291	8,299	8,030	9,886	8,275	6,430	Productivity Investment Fund
5,883	5,839	5,839	7,110	623	6,430	Motor Vehicle Capital Outlays
395	362	336	210	86	153	Civic Center Parking
554	438	359	301	565	443	Reporters Salary Fund
15,707	15,479	15,668	16,047	15,058	13,931	Cable TV Franchise Fund
10,927	10,988	11,123	10,339	11,550	15,960	Megaflex Long-Term Disability
16,773	16,879	16,796	16,211	13,933	9,973	Megaflex Long-Term Disability & Health
92,972	93,637	94,432	88,794	70,034	46,411	Megaflex Short-Term Disability
\$ 1,141,716	\$ 1,024,060	\$ 1,039,367	\$ 999,142	\$ 768,213	\$ 783,638	Subtotal
HOSPITAL GROUP						
\$ 3,582	\$ 38,793	\$ 56,448	\$ 0	\$ 0	\$ 0	Harbor-UCLA Medical Center
64,551	39,803	15,223	0	0	0	Olive View-UCLA Medical Center
3,368	51,762	60,103	0	0	0	LAC + USC Medical Center
1,054	8,423	1,636	0	0	0	Rancho Los Amigos Rehab Center
182,074	182,672	183,049	0	0	0	Health Services - Harbor-UCLA Medical Center
\$ 254,629	\$ 321,453	\$ 316,459	\$ 0	\$ 0	\$ 0	Subtotal
\$ 6,170,298	\$ 4,252,158	\$ 4,637,798	\$ 8,360,349	\$ 4,177,033	\$ 1,541,848	GRAND TOTAL

**COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW STATEMENTS**

**2022-23: 12 MONTHS ACTUAL
2023-24: 9 MONTHS ACTUAL**

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COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW ANALYSIS
FISCAL YEAR 2022-23
(in thousands of \$)

	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022
BEGINNING BALANCE	\$ 3,256,071	\$ 3,532,192	\$ 3,237,406	\$ 2,848,231	\$ 2,487,260	\$ 1,778,473
RECEIPTS						
Property Taxes	\$ 180,439	\$ 152,717	\$ 0	\$ 0	\$ 56,075	\$ 1,752,595
Other Taxes	21,654	24,225	17,713	15,295	19,684	23,968
Licenses, Permits & Franchises	5,630	3,366	5,310	2,141	4,555	3,527
Fines, Forfeitures & Penalties	38,592	21,932	6,182	6,695	13,410	5,195
Investment and Rental Income	13,860	17,161	17,490	22,326	31,448	21,212
Motor Vehicle (VLF) Realignment	(61,204)	49,291	52,329	35,028	37,473	38,078
Sales Taxes - Proposition 172	97,293	79,430	74,978	78,001	93,864	79,397
1991 Program Realignment	11,820	0	85,900	88,294	100,796	89,277
Other Intergovernmental Revenue**	398,333	576,188	346,374	203,813	118,105	374,653
Charges for Current Services	241,802	334,094	123,691	336,622	151,686	174,023
Other Revenue & Tobacco Settlement	158,882	284,193	25,129	99,109	97,571	110,987
Transfers & Reimbursements	174,741	3,373	0	2,524	12,687	17,889
Hospital Loan Repayment*	0	0	0	0	0	0
Welfare Advances	292,656	152,527	650,254	646,352	541,324	651,539
Other Financing Sources/MHSA	145,133	107,192	0	28,972	14,616	92,632
Intrafund Borrowings	0	0	0	0	0	0
TRANs Sold	900,000	0	0	0	0	0
Total Receipts	\$2,619,631.0	\$ 1,805,689	\$ 1,405,350	\$ 1,565,172	\$ 1,293,294	\$ 3,434,972
DISBURSEMENTS						
Welfare Warrants	\$ 217,824	\$ 247,758	\$ 236,989	\$ 259,897	\$ 256,235	\$ 257,123
Salaries	654,680	590,070	577,856	594,389	621,512	622,102
Employee Benefits	402,902	398,864	420,155	396,251	407,237	467,339
Vendor Payments	847,862	644,225	481,055	531,821	657,069	549,643
Loans to Hospitals*	0	0	0	0	0	0
Hospital Subsidy Payments	0	175,565	62,362	0	9,002	83,976
Transfer Payments	220,242	43,993	16,108	143,785	51,026	120,803
TRANs Pledge Transfer	0	0	0	0	0	405,000
Intrafund Repayment	0	0	0	0	0	0
Total Disbursements	\$ 2,343,510	\$ 2,100,475	\$ 1,794,525	\$ 1,926,143	\$ 2,002,081	\$ 2,505,986
ENDING BALANCE	\$ 3,532,192	\$ 3,237,406	\$ 2,848,231	\$ 2,487,260	\$ 1,778,473	\$ 2,707,459
Borrowable Resources (Avg. Balance)	\$ 2,874,085	\$ 1,990,464	\$ 1,907,879	\$ 2,866,612	\$ 5,617,787	\$ 9,418,470
Total Cash Available	\$ 6,406,277	\$ 5,227,870	\$ 4,756,110	\$ 5,353,872	\$ 7,396,260	\$ 12,125,929

* The net change in the outstanding Hospital Loan Balance is negative \$1.00 and can be calculated by subtracting the "Hospital Loan Repayment" Receipt from the "Loans to Hospitals" Disbursement shown above.

** Includes COVID-19 Revenues

January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Total 2022-23	
\$ 2,707,459	\$ 3,077,444	\$ 2,651,622	\$ 1,931,765	\$ 3,134,261	\$ 4,069,262		BEGINNING BALANCE
RECEIPTS							
\$ 1,792,409	\$ 266,101	\$ 23,809	\$ 1,287,461	\$ 1,516,323	\$ 460,830	\$ 7,488,759	Property Taxes
19,979	27,443	13,659	19,904	37,265	31,020	271,809	Other Taxes
4,219	4,231	9,851	15,522	12,234	3,198	73,784	Licenses, Permits & Franchises
5,320	19,257	14,057	6,766	30,103	8,113	175,622	Fines, Forfeitures & Penalties
24,885	39,220	34,602	39,218	45,879	55,692	362,993	Investment and Rental Income
34,963	41,242	46,109	52,025	8,196	31,271	364,801	Motor Vehicle (VLF) Realignment
76,678	101,128	69,367	68,864	87,590	74,725	981,315	Sales Taxes - Proposition 172
78,319	102,020	69,981	123,563	87,727	74,842	912,539	1991 Program Realignment
296,042	517,595	507,161	388,214	533,482	614,177	4,874,137	Other Intergovernmental Revenue**
309,890	144,982	120,557	434,190	247,499	213,370	2,832,406	Charges for Current Services
24,255	150,375	144,389	186,247	27,043	196,168	1,504,348	Other Revenue & Tobacco Settlement
7,269	6,724	56,464	3,560	11,055	220,334	516,620	Transfers & Reimbursements
0	0	0	214,915	0	0	214,915	Hospital Loan Repayment*
491,553	510,091	598,572	647,988	482,088	631,758	6,296,702	Welfare Advances
43,153	1,950	24,160	48,058	37,652	151,813	695,331	Other Financing Sources/MHSA
0	0	0	0	0	0	0	Intrafund Borrowings
0	0	0	0	0	0	900,000	TRANs Sold
\$ 3,208,934	\$ 1,932,359	\$ 1,732,738	\$ 3,536,495	\$ 3,164,136	\$ 2,767,311	\$ 28,466,081	Total Receipts
DISBURSEMENTS							
\$ 266,516	\$ 698,180	\$ 328,141	\$ 318,077	\$ 323,043	\$ 332,950	\$ 3,742,733	Welfare Warrants
669,884	619,212	603,658	630,755	604,399	605,938	7,394,455	Salaries
438,915	413,697	445,052	406,583	412,322	446,399	5,055,716	Employee Benefits
647,822	504,535	590,919	669,751	764,455	595,829	7,484,986	Vendor Payments
0	0	188,480	26,434	0	0	214,914	Loans to Hospitals*
189,029	91,203	233,730	1,612	(1,289)	125,220	970,410	Hospital Subsidy Payments
221,783	31,354	62,615	154,887	126,205	21,677	1,214,478	Transfer Payments
405,000	0	0	125,900	0	0	935,900	TRANs Pledge Transfer
0	0	0	0	0	0	0	Intrafund Repayment
\$ 2,838,949	\$ 2,358,181	\$ 2,452,595	\$ 2,333,999	\$ 2,229,135	\$ 2,128,013	\$ 27,013,592	Total Disbursements
\$ 3,077,444	\$ 2,651,622	\$ 1,931,765	\$ 3,134,261	\$ 4,069,262	\$ 4,708,560		ENDING BALANCE
\$ 6,052,190	\$ 4,060,667	\$ 4,419,615	\$ 9,118,627	\$ 5,603,536	\$ 2,912,297		Borrowable Resources (Avg. Balance)
\$ 9,129,634	\$ 6,712,289	\$ 6,351,380	\$ 12,252,888	\$ 9,672,798	\$ 7,620,857		Total Cash Available

COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW ANALYSIS
FISCAL YEAR 2023-24
(in thousands of \$)

	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023
BEGINNING BALANCE	\$ 4,708,560	\$ 4,554,113	\$ 4,095,301	\$ 3,706,239	\$ 2,686,005	\$ 2,124,984
RECEIPTS						
Property Taxes	\$ 73,588	\$ 164,371	\$ 0	\$ 0	\$ 66,681	\$ 1,854,399
Other Taxes	15,959	21,934	16,874	15,730	18,261	22,824
Licenses, Permits & Franchises	7,177	6,958	5,029	4,360	3,208	6,558
Fines, Forfeitures & Penalties	34,778	27,308	7,263	7,371	15,913	6,202
Investment and Rental Income	64,871	47,488	37,736	48,723	48,422	37,104
Motor Vehicle (VLF) Realignment	(71,104)	39,239	49,180	37,646	38,682	37,960
Sales Taxes - Proposition 172	98,400	73,780	75,443	78,123	91,086	77,131
1991 Program Realignment	104,770	0	81,172	83,910	118,269	82,147
Other Intergovernmental Revenue**	231,709	475,314	327,999	258,172	128,710	386,062
Charges for Current Services	178,277	317,235	239,691	83,379	375,363	136,973
Other Revenue & Tobacco Settlement	377,888	177,076	35,176	65,213	126,387	117,381
Transfers & Reimbursements	63,866	(7,873)	0	4,452	23,196	37,777
Hospital Loan Repayment*	0	0	0	0	0	0
Welfare Advances	399,845	184,129	662,240	651,472	448,766	714,580
Other Financing Sources/MHSA	594	215,785	0	23,112	660	23,660
Intrafund Borrowings	0	0	0	0	0	0
TRANs Sold	700,000	0	0	0	0	0
Total Receipts	\$ 2,280,618	\$ 1,742,744	\$ 1,537,803	\$ 1,361,663	\$ 1,503,604	\$ 3,540,758
DISBURSEMENTS						
Welfare Warrants	\$ 253,242	\$ 286,690	\$ 277,173	\$ 281,185	\$ 275,396	\$ 277,157
Salaries	631,592	640,738	617,751	631,516	637,894	660,870
Employee Benefits	413,282	431,411	472,479	501,123	429,443	437,654
Vendor Payments	934,794	733,138	537,577	776,751	703,178	467,496
Loans to Hospitals*	0	0	0	0	0	0
Hospital Subsidy Payments	0	68,675	7,035	37,437	0	98,465
Transfer Payments	202,155	40,904	14,850	153,885	18,714	30,772
TRANs Pledge Transfer	0	0	0	0	0	315,000
Intrafund Repayment	0	0	0	0	0	0
Total Disbursements	\$ 2,435,065	\$ 2,201,556	\$ 1,926,865	\$ 2,381,897	\$ 2,064,625	\$ 2,287,414
ENDING BALANCE	\$ 4,554,113	\$ 4,095,301	\$ 3,706,239	\$ 2,686,005	\$ 2,124,984	\$ 3,378,328
Borrowable Resources (Avg. Balance)	\$ 2,519,295	\$ 2,195,686	\$ 2,165,280	\$ 3,044,680	\$ 6,044,713	\$ 10,022,460
Total Cash Available	\$ 7,073,408	\$ 6,290,987	\$ 5,871,519	\$ 5,730,685	\$ 8,169,697	\$ 13,400,788

* The net change in the outstanding Hospital Loan Balance is \$0.00 and can be calculated by subtracting the "Hospital Loan Repayment" Receipt from the "Loans to Hospitals" Disbursement shown above.

** Includes COVID-19 Revenues

January 2024	February 2024	March 2024	Estimated April 2024	Estimated May 2024	Estimated June 2024	Total 2023-24	
\$ 3,378,328	\$ 3,717,922	\$ 2,729,866	\$ 2,190,831	\$ 2,220,448	\$ 2,607,480		BEGINNING BALANCE
							RECEIPTS
\$ 1,859,920	\$ 250,461	\$ 19,831	\$ 1,318,399	\$ 1,543,453	\$ 326,791	\$ 7,477,894	Property Taxes
11,858	19,097	13,713	19,311	24,446	17,642	217,649	Other Taxes
2,743	6,231	13,407	3,993	1,694	881	62,239	Licenses, Permits & Franchises
7,085	22,562	15,752	625	6,095	1,997	152,951	Fines, Forfeitures & Penalties
40,882	63,965	46,773	48,925	35,066	32,162	552,118	Investment and Rental Income
38,294	55,393	59,939	24,583	24,687	6,148	340,646	Motor Vehicle (VLF) Realignment
75,534	103,924	68,998	68,164	86,701	73,967	971,251	Sales Taxes - Proposition 172
81,322	110,673	73,486	52,998	71,131	54,841	914,719	1991 Program Realignment
197,311	473,606	342,596	276,689	248,523	265,511	3,612,202	Other Intergovernmental Revenue**
292,388	(65,414)	149,300	300,988	109,430	445,979	2,563,589	Charges for Current Services
(7,617)	103,436	107,489	90,907	70,187	70,123	1,333,645	Other Revenue & Tobacco Settlement
3,853	3,409	2,285	15,020	106,830	107,767	360,582	Transfers & Reimbursements
0	0	0	0	0	0	0	Hospital Loan Repayment*
633,497	530,102	634,865	358,536	449,709	307,552	5,975,293	Welfare Advances
10,384	22,788	115,494	101,279	101,018	130,052	744,826	Other Financing Sources/MHSA
0	0	0	0	0	0	0	Intrafund Borrowings
0	0	0	0	0	0	700,000	TRANS Sold
\$ 3,247,454	\$ 1,700,233	\$ 1,663,928	\$ 2,680,418	\$ 2,878,968	\$ 1,841,412	\$ 25,979,604	Total Receipts
							DISBURSEMENTS
\$ 274,858	\$ 782,941	\$ 334,492	\$ 413,728	\$ 414,065	\$ 414,847	\$ 4,285,774	Welfare Warrants
715,163	655,996	650,658	692,581	693,856	706,839	7,935,454	Salaries
484,987	468,204	470,743	468,770	467,418	465,216	5,510,730	Employee Benefits
748,470	649,551	634,625	867,625	743,720	751,213	8,548,138	Vendor Payments
0	0	0	0	0	0	0	Loans to Hospitals*
267,085	119,258	82,264	0	0	90,159	770,378	Hospital Subsidy Payments
102,297	12,339	30,181	138,098	172,877	121,332	1,038,404	Transfer Payments
315,000	0	0	70,000	0	0	700,000	TRANS Pledge Transfer
0	0	0	0	0	0	0	Intrafund Repayment
\$ 2,907,860	\$ 2,688,289	\$ 2,202,963	\$ 2,650,802	\$ 2,491,936	\$ 2,549,606	\$ 28,788,878	Total Disbursements
\$ 3,717,922	\$ 2,729,866	\$ 2,190,831	\$ 2,220,448	\$ 2,607,480	\$ 1,899,286		ENDING BALANCE
\$ 6,170,298	\$ 4,252,158	\$ 4,637,798	\$ 8,360,349	\$ 4,177,033	\$ 1,541,848		Borrowable Resources (Avg. Balance)
\$ 9,888,220	\$ 6,982,024	\$ 6,828,629	\$ 10,580,797	\$ 6,784,513	\$ 3,441,134		Total Cash Available

DEBT SUMMARY

INTRODUCTION

The County has issued various types of notes, bonds, and certificates to finance and refinance its cash management requirements, the replacement of essential equipment, and the acquisition, construction and/or improvement of government buildings and public facilities. The County has not entered into any swap agreements, or other similar interest rate derivative contracts, in connection with its outstanding debt.

OUTSTANDING OBLIGATIONS

As of July 1, 2023, approximately \$2.510 billion of long-term obligations were outstanding. The General Fund is responsible for repayment of \$1.355 billion of the outstanding debt. Revenues from Special Districts/Special Funds, Courthouse Construction Funds, and Hospital Enterprise Funds secure the remaining \$1.155 billion of outstanding obligations.

The table below identifies the funding sources for the County's debt payments due in 2023-24.

COUNTY OF LOS ANGELES ADDITIONAL FUNDING SOURCES FOR REPAYMENT OF COUNTY INTERMEDIATE AND LONG-TERM OBLIGATIONS

2023-24 Payments

Funding Source	2023-24 Payment
Total 2023-24 Payment Obligations	\$185,220,533
Less: Sources of Non-General Fund Entities:	
Hospital Enterprise Funds	72,613,726
Courthouse Construction Funds	14,985,583
Special Districts/Special Funds	3,246,406
Net 2023-24 General Fund Obligations	\$94,374,817

Source: Los Angeles County Auditor-Controller

As of May 1, 2024, the County has \$979.98 million of outstanding short-term obligations, which includes \$700 million in TRANs and \$314.976 million in Lease Revenue Tax-exempt Commercial Paper Notes. The following table summarizes the outstanding General County debt and note obligations.

COUNTY OF LOS ANGELES SUMMARY OF OUTSTANDING PRINCIPAL

As of May 1, 2024 (in thousands)

Type of Obligation	Outstanding Principal
Total County	
Short-Term Obligations:	
Tax and Revenue Anticipation Notes	\$700,000
Lease Revenue Notes	314,976
Long-Term Obligations	2,510,175
Total Outstanding Principal	\$3,525,151

Source: Los Angeles County Treasurer and Tax Collector and Auditor-Controller

The tables at the end of this section provide a detailed summary of the funding sources for the County's outstanding obligations and future debt service payments.

SHORT-TERM OBLIGATIONS

Tax and Revenue Anticipation Notes

In 1977, the County implemented a cash management program to finance its General Fund cash flow deficits, which occur periodically during the fiscal year. Since the program's inception, the County has annually sold varying amounts of tax anticipation notes and tax and revenue anticipation notes (including commercial paper).

Pursuant to a resolution adopted by the Board of Supervisors on May 16, 2023, the County issued \$700 million of TRANs for Fiscal Year 2023-24 on July 3, 2023. The 2023-24 TRANs will mature on June 28, 2024. The TRANs are secured by a pledge of certain taxes, income, revenue, and cash receipts which will be received by or accrue to the County during Fiscal Year 2023-24, in the amounts, and on the dates specified in the Financial Summary Section under the heading "2023-24 Tax and Revenue Anticipation Notes" of this Appendix A.

Bond Anticipation Notes

The County is currently utilizing the proceeds from the issuance of Bond Anticipation Notes ("BANs") to provide an interim source of funding for the acquisition of equipment on behalf of the County General Fund. The BANs are issued by the Los Angeles County Capital Asset Leasing Corporation ("LAC-CAL") and are purchased by the County Treasury Pool under terms and conditions established by the Board of Supervisors. The BANs are payable within three years of their initial issuance date from the proceeds of long-term bonds or other available funds. The repayment of the BANs is secured by lease agreements between the County and LAC-CAL and a pledge of the acquired equipment. As of May 1, 2024, there are \$15.0 million of BANs outstanding.

Lease Revenue Note Program

In April 2019, the County successfully closed a restructuring of the Lease Revenue Note Program (the "Note Program"). The Note Program provides the County with a flexible and cost-effective source of financing to provide interim funding during the initial construction phase of a capital project, which will eventually be refinanced with the issuance of long-term bonds upon completion. Under the restructured Note Program, the County is authorized to issue up to \$600 million in aggregate principal amount of short-term commercial paper notes supported by four Irrevocable, Direct-Pay Letters of Credit ("LOC") issued by Bank of the West (Series A - \$100 million); U.S. Bank (Series B - \$200 million); Wells Fargo (Series C - \$200 million) and State Street (Series D - \$100 million). The maximum aggregate principal amount of \$600 million represents an increase of \$100 million from the previous Note Program. As of May 1, 2024, \$314.976 million of commercial paper notes were outstanding.

The Note Program is secured by a lease-revenue financing structure between LAC-CAL and the County, and a portfolio of fifteen County-owned properties pledged as collateral to secure the credit facilities. The four LOCs, which are scheduled to terminate on July 31, 2024, provide credit enhancement and liquidity support for both tax-exempt and taxable commercial paper notes. Subject to the conditions set forth in the Letter of Credit and Reimbursement Agreements with the four LOC banks, any amount with respect to the payment of principal of maturing notes remaining unpaid to the LOC bank shall be converted to a term loan to be repaid within two or five years subject

to available fair rental value with respect to the leased property securing the four Letter of Credit and Reimbursement Agreements. The County is currently working on a restructured Note Program to support the issuance of commercial paper notes in the aggregate principal amount of \$750 million, which would represent an increase of \$150 million from the current Note Program.

INTERMEDIATE AND LONG-TERM OBLIGATIONS

Lease Obligations

Since 1962, the County has financed its capital project and equipment replacement program through various lease arrangements with joint powers authorities and nonprofit corporations, which have issued lease revenue bonds or certificates of participation. As of July 1, 2023, \$2.510 billion in principal remained outstanding on such obligations. The County's lease obligations are secured by revenues from various funding sources, including the General Fund, and are subject to annual appropriation. The Fiscal Year 2023-24 Final Adopted Budget includes sufficient appropriations to fund the debt service on the County's lease payment obligations. The County's Board of Supervisors has never failed to appropriate sufficient funding for such obligations, nor has the County abated payments on any of its lease-revenue financings to date.

DEBT RATIOS

The ratio of the General Fund's outstanding debt to the net revenue-producing valuation of the property tax roll (the "Net Local Roll") decreased from 0.138% in Fiscal Year 2022-23 to 0.126% in Fiscal Year 2023-24. The following table provides the ratio of the General Fund's outstanding debt to the Net Local Roll over the past ten years.

Fiscal Year	Outstanding Principal	Net Local Property Tax Roll	Debt To Value Ratio
2014-15	1,576,510,029	1,191,806,972,618	0.132%
2015-16	1,633,835,517	1,264,906,464,546	0.129%
2016-17	1,785,310,693	1,335,525,121,301	0.134%
2017-18	1,761,081,064	1,416,125,372,989	0.124%
2018-19	1,695,142,404	1,509,888,186,608	0.112%
2019-20	1,935,946,630	1,604,296,790,020	0.121%
2020-21	2,130,813,112	1,700,148,139,175	0.125%
2021-22	2,441,181,697	1,763,070,431,964	0.138%
2022-23	2,600,100,299	1,885,551,795,750	0.138%
2023-24	2,510,175,253	1,997,002,740,659	0.126%

Source: Los Angeles County Assessor and Auditor-Controller

OTHER DEBT OBLIGATIONS

Tobacco Bonds

On February 8, 2006 the California County Tobacco Securitization Agency (the "Agency"), a Joint Exercise of Powers Authority, issued \$319.80 million in Tobacco Settlement Asset-Backed Bonds (the "2006 Tobacco Bonds") for the purpose of loaning the proceeds to the Los Angeles County Securitization Corporation (the "Corporation"). The Corporation used the Tobacco Bond proceeds to purchase 25.9% of the County's annual Tobacco Settlement Revenues (the "TSRs") paid by the tobacco companies participating in the Master Settlement Agreement. The 2006 Tobacco Bonds are secured by the 25.9% portion of the annual TSRs and are not considered a debt obligation of the County. On June 10, 2020, the Agency issued \$349.58 million of Tobacco Settlement Bonds (the "2020 Tobacco Settlement Bonds") on behalf of the County to fully refund the 2006 Tobacco Bonds. The 2020 Tobacco Settlement Bonds are projected to generate net present value savings of approximately \$101.97 million, or 26% savings from the 2006 Tobacco Bonds, and will significantly mitigate the risk of future default that previously existed

with the 2006 Tobacco Bonds. The actual amount of savings will depend on various factors, including future smoking participation rates, the volume of cigarette shipments from the participating manufacturers, inflation and other factors pursuant to the terms of the Master Settlement Agreement.

DPSS Lease Obligations

From January 28, 1999 through July 28, 2005, the County entered into several build to suit operating and capital lease agreements with various organizations whereby the County would lease buildings and improvements for use by County Departments including the Department of Public Social Services (the "DPSS Facilities"). In order to facilitate the construction of the DPSS Facilities, financing was obtained through the sale of Certificates of Participation ("COPs") and Lease Revenue Bonds with the periodic lease payments pledged as security for repayment of the debt securities. Although these financings are categorized as leases in the County's financial statements, the ultimate obligor for the outstanding debt is the County General Fund. The principal amount of the outstanding underlying COPs and Bond obligations was \$85.0 million as of May 1, 2024.

2018 Vermont Corridor Project

The County, working in conjunction with the Community Development Commission (CDC), is developing County-owned property in the area known as the "Vermont Corridor" in the City of Los Angeles. The original plan for the Vermont Corridor Project included the development of three sites in the Vermont Corridor area: Site 1 – new Department of Mental Health (DMH) headquarters facility and parking garage; Site 2 – mixed-use market rate housing; and Site 3 – affordable senior housing. In July 2018, the County financed the Site 1 project with the issuance of \$302.4 million of lease revenue bonds through a not-for-profit special purpose entity, Los Angeles County Facilities, Inc. (LACFI), which served as the construction and facility manager for the project.

2019 Lease Revenue Bonds

On August 29, 2019, the County issued \$251.89 million of long-term lease revenue bonds to refinance \$318.75 million of outstanding commercial paper notes that were used as the initial financing vehicle for multiple capital projects, which include the East Antelope Valley Animal Care Center, Martin Luther King Jr. Medical Campus Parking Structure, Rancho Los Amigos National Rehabilitation Center, Fire Station 143, Music Center Plaza Improvement Project, and the Los Angeles County Probation Department Building Renovation. The 2019 Lease Revenue Bonds are scheduled to mature on December 1, 2049.

2020 Lease Revenue Bonds

In April 2019, the Board of Supervisors approved a financing plan and related administrative actions to facilitate the construction of a new museum facility for the Los Angeles County Museum of Art (LACMA). The \$650 million LACMA project is funded through a \$125 million County contribution and a LACMA private fundraising campaign. In November 2020, the County issued \$363.23 million of Los Angeles County Public Works Financing Authority Lease Revenue Bonds, 2020 Series A (LACMA Building for the Permanent Collection Project) (the "Bonds"). The proceeds from the sale of the Bonds were used to refinance \$125 million of outstanding commercial paper notes issued through the Note Program to fund the County's contribution, and to generate \$300 million of additional proceeds to finance construction costs. LACMA is responsible for the payment of debt service costs on the \$300 million component of this financing through its private fundraising campaign, and pursuant to the terms of a Funding Agreement with the County. The new LACMA museum is expected to be completed and open to the public in 2024.

2021 Lease Revenue Bonds

On October 28, 2021, the County sold two series of long-term lease revenue bonds through the Los Angeles County Public Works Financing Authority, consisting of Lease Revenue Bonds, 2021 Series F (the "2021 Series F Bonds") in the par amount of \$260.11 million, and Lease Revenue Refunding Bonds, 2022 Series G (the "2022 Series G Refunding Bonds") in the par amount of \$225.12 million.

The proceeds from the sale of the 2021 Series F Bonds were used to refinance \$280.11 million of outstanding commercial paper notes issued as the initial financing vehicle for various capital construction projects and generate an additional \$22.38 million of new money proceeds to fund completion of the projects. The capital projects financed with the 2021 Series F Bonds include Fire Station 104, MLK Central Plant 1 and Hospital Services Building, MLK Behavioral Health Center, Rancho Los Amigos Recuperative Care Center, LAC + USC Recuperative Care Center and the Olive View Campus Recuperative Care Center. The 2021 Series F Bonds are scheduled to mature on December 1, 2051.

The 2022 Series G Refunding Bonds were sold as forward delivery bonds with final settlement on June 2, 2022. The proceeds from the sale of the 2022 Series G Refunding Bonds will be used to fully refund \$291.51 million of outstanding 2012 Lease Revenue Bonds, which were originally issued to finance various capital construction projects. The 2022 Series G Refunding Bonds will generate approximately \$61.17 million or 21.0% net present value savings to the County General Fund, and have a final maturity on December 1, 2042.

2022 Lease Revenue Refunding Bonds

On April 13, 2022, the County sold \$53.63 million of Lease Revenue Refunding Bonds, Series 2022 through the Los Angeles County Regional Financing Authority (the "2022 Lease Revenue Refunding Bonds"). The proceeds from the sale of the 2022 Lease Revenue Refunding Bonds were used to fully refund \$69.74 million of outstanding Community Redevelopment Agency of the City of Los Angeles, California Lease Revenue Bonds, Series 2005, which were originally issued to finance the Vermont Manchester Social Services Project. The 2022 Lease Revenue Refunding Bonds generated approximately \$10.17 million or 14.6% net present value savings to the County General Fund and have a final maturity on December 1, 2037.

2024 Vermont Corridor Project

In June 2022, the Board of Supervisors adopted a change in scope of development for Site 2 of the Vermont Corridor Project from mixed-use, market-rate housing to an approximately 243,000-square-foot County administrative office building by renovating, expanding and demolishing existing County-owned facilities in the Vermont Corridor area. The County intends to issue lease revenue bonds through LACF sometime in the second quarter of 2024, the proceeds of which will be used to finance the guaranteed maximum construction cost of \$210.0 million for the Site 2 Vermont Corridor Project. Similar to the 2018 Vermont Corridor Project, LACF will serve as the construction and facility manager for the project. The financing for the 2024 Vermont Corridor Project is expected to be approved by the Board of Supervisors in June 2024.

**COUNTY OF LOS ANGELES
DEBT SUMMARY TABLES**

REPORTS AS OF JULY 1, 2023

COMBINED PRINCIPAL AND INTEREST OBLIGATIONS BY FUNDING SOURCE

OUTSTANDING PRINCIPAL OBLIGATIONS BY FUNDING SOURCE

CURRENT FISCAL YEAR DEBT SERVICE OBLIGATIONS BY FUNDING SOURCE

OUTSTANDING PRINCIPAL BY FUNDING SOURCE

REPORTS AS OF MAY 1, 2024

SUMMARY OF OUTSTANDING GENERAL FUND AND SPECIAL FUND OBLIGATIONS

ESTIMATED OVERLAPPING DEBT STATEMENT

COUNTY OF LOS ANGELES COMBINED PRINCIPAL AND INTEREST OBLIGATIONS BY FUNDING SOURCE AS OF JULY 1, 2023						
Fiscal Year	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds	Total Annual Debt Service	
2023-24	\$ 94,374,817	\$ 72,613,726	14,985,583	\$ 3,246,406	\$ 185,220,533	
2024-25	94,369,801	72,591,506	14,971,366	3,265,031	185,197,704	
2025-26	94,355,952	72,573,289	14,968,875	3,269,656	185,167,772	
2026-27	94,341,588	72,570,666	14,959,875	3,266,156	185,138,285	
2027-28	94,249,641	72,569,138	14,947,750	3,264,531	185,031,060	
2028-29	94,057,381	72,555,148	14,945,875	3,274,281	184,832,685	
2029-30	93,943,929	72,555,638	14,937,625	3,255,656	184,692,848	
2030-31	93,936,610	72,539,554	8,340,500	3,248,906	178,065,570	
2031-32	93,931,632	72,523,568	8,336,375	3,263,031	178,054,606	
2032-33	93,923,712	72,524,260	6,115,375	3,252,906	175,816,254	
2033-34	93,919,266	72,518,538	6,119,250	3,253,656	175,810,710	
2034-35	92,738,479	72,504,686	-	3,254,781	168,497,946	
2035-36	92,736,824	72,486,684	-	3,251,156	168,474,665	
2036-37	92,727,013	72,481,512	-	3,252,531	168,461,057	
2037-38	92,720,194	72,469,512	-	3,253,531	168,443,237	
2038-39	87,849,469	72,447,162	-	3,258,781	163,555,413	
2039-40	87,846,744	72,438,611	-	3,259,831	163,545,186	
2040-41	87,834,535	72,429,324	-	3,256,756	163,520,616	
2041-42	67,217,775	42,135,463	-	3,257,581	112,610,819	
2042-43	67,219,825	42,137,363	-	3,261,806	112,618,994	
2043-44	67,223,300	26,357,613	-	1,733,306	95,314,219	
2044-45	67,218,500	26,348,488	-	1,738,731	95,305,719	
2045-46	58,019,575	26,353,163	-	926,456	85,299,194	
2046-47	42,114,900	26,349,563	-	927,481	69,391,944	
2047-48	42,120,000	26,352,447	-	925,425	69,397,872	
2048-49	42,112,475	26,350,475	-	930,366	69,393,316	
2049-50	42,113,900	26,350,900	-	924,103	69,388,903	
2050-51	38,775,325	13,910,959	-	551,263	53,237,547	
2051-52	18,132,250	13,910,206	-	552,153	32,594,609	
Total	\$ 2,222,125,414	\$ 1,601,949,159	\$ 133,628,449	\$ 74,376,259	\$ 4,032,079,281	

COUNTY OF LOS ANGELES OUTSTANDING PRINCIPAL OBLIGATIONS BY FUNDING SOURCE AS OF JULY 1, 2023					
Fiscal Year	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds	Total Outstanding Principal
2023-24	\$ 1,355,141,274	\$ 1,002,523,979	\$ 107,130,000	\$ 45,380,000	\$ 2,510,175,253
2024-25	1,322,016,881	975,704,914	97,130,000	44,280,000	2,439,131,795
2025-26	1,287,264,137	947,626,032	86,730,000	43,105,000	2,364,725,169
2026-27	1,250,777,669	918,162,966	75,825,000	41,865,000	2,286,630,636
2027-28	1,212,468,445	887,225,019	64,370,000	40,565,000	2,204,628,464
2028-29	1,172,316,801	854,730,545	52,340,000	39,200,000	2,118,587,346
2029-30	1,130,326,152	820,613,848	39,695,000	37,755,000	2,028,390,000
2030-31	1,086,316,720	784,778,280	26,410,000	36,255,000	1,933,760,000
2031-32	1,040,074,828	747,150,172	19,210,000	34,685,000	1,841,120,000
2032-33	991,565,098	707,634,902	11,645,000	33,020,000	1,743,865,000
2033-34	940,675,124	666,119,876	5,970,000	31,280,000	1,644,045,000
2034-35	887,199,529	622,510,471	-	29,450,000	1,539,160,000
2035-36	832,255,780	576,699,220	-	27,525,000	1,436,480,000
2036-37	774,636,347	528,568,653	-	25,505,000	1,328,710,000
2037-38	714,277,750	477,987,250	-	23,380,000	1,215,645,000
2038-39	651,156,190	424,923,810	-	21,145,000	1,097,225,000
2039-40	590,201,097	369,368,903	-	18,790,000	978,360,000
2040-41	526,533,169	311,251,831	-	16,315,000	854,100,000
2041-42	460,040,000	250,500,000	-	13,720,000	724,260,000
2042-43	411,575,000	217,925,000	-	10,995,000	640,495,000
2043-44	360,775,000	183,780,000	-	8,130,000	552,685,000
2044-45	307,525,000	164,175,000	-	6,690,000	478,390,000
2045-46	251,705,000	143,685,000	-	5,175,000	400,565,000
2046-47	202,610,000	122,255,000	-	4,420,000	329,285,000
2047-48	167,645,000	99,850,000	-	3,630,000	271,125,000
2048-49	131,405,000	76,505,000	-	2,810,000	210,720,000
2049-50	90,585,000	42,155,000	-	1,590,000	134,330,000
2050-51	54,855,000	27,105,000	-	1,075,000	83,035,000
2051-52	17,690,000	13,730,000	-	545,000	31,965,000

Source: Los Angeles County Treasurer and Tax Collector

**COUNTY OF LOS ANGELES
FISCAL YEAR DEBT SERVICE OBLIGATIONS BY FUNDING SOURCE
AS OF JULY 1, 2023**

Title	Total Debt Service	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds
Long-Term Obligations					
2010 Lease Revenue Bonds, Series B (Taxable):					
Coroners Expansion/ Refurbishment	\$ 1,893,916	\$ 1,893,916			
Patriotic Hall Renovation	3,058,334	3,058,334			
Hall of Justice Rehabilitation	15,788,702	15,788,702			
Olive View Medical Center ER/TB Unit	3,523,999		\$ 3,523,999		
Olive View Medical Center Seismic	1,451,749		1,451,749		
Harbor/UCLA Surgery/ Emergency	22,083,020		22,083,020		
Harbor/UCLA Seismic Retrofit	3,405,296		3,405,296		
Total 2010 Lease Revenue Bonds, Series B (Taxable)	\$ 51,205,015	\$ 20,740,952	\$ 30,464,064	\$ 0	\$ 0
2011 High Desert Solar Complex (Taxable)	\$ 401,997	\$ 401,997			
2015 Lease Revenue Bonds, Series A					
Zev Yaroslavsky Family Support Center	\$ 9,197,250	\$ 9,197,250			
Manhattan Beach Library	807,125				\$ 807,125
Total 2015 Lease Revenue Bonds, Series A	\$ 10,004,375	\$ 9,197,250	\$ 0	\$ 0	\$ 807,125
2015 Lease Revenue Refunding Bonds, Series B					
LAX Area Courthouse	\$ 2,533,000			\$ 2,533,000	
Chatsworth Courthouse	2,124,500			2,124,500	
Total 2015 Lease Revenue Refunding Bonds, Series B	\$ 4,657,500	\$ 0	\$ 0	\$ 4,657,500	\$ 0
2015 Lease Revenue Refunding Bonds, Series C					
Michael D. Antonovich Antelope Valley Courthouse	\$ 10,328,083			\$ 10,328,083	
2016 Lease Revenue Bonds, Series D					
Martin Luther King Inpatient Tower	\$ 15,906,094	\$ 15,906,094			
2018 Lease Revenue Bonds					
Vermont Corridor Administration Building, Series A	19,299,825	19,299,825			
2019 Lease Revenue Bonds, Series E-1					
East Antelope Valley Animal Shelter	\$ 864,350	\$ 864,350			
Probation Department Building	1,316,500	1,316,500			
Music Center Plaza	1,164,950	1,164,950			
Rancho Los Amigos NRC	10,367,900		\$ 10,367,900		
Fire Station 143	375,250				\$ 375,250
Total 2019 Lease Revenue Bonds, Series E-1	\$ 14,088,950	\$ 3,345,800	\$ 10,367,900	\$ 0	\$ 375,250
2019 Lease Revenue Bonds, Series E-2					
MLK Medical Campus Parking Structure	\$ 2,070,825		\$ 2,070,825		
2020 Lease Revenue Bonds					
LACMA Buildings	\$ 20,629,375	\$ 20,629,375			
2021 Lease Revenue Bonds, Series F					
LAC+USC Medical Center Recuperative Care Center	\$ 746,744		\$ 746,744		
MLK Behavioral Health Center Renovation	11,380,550		11,380,550		
MLK Central Plan/Hospital Service Building	150,881		150,881		
Olive View Campus Recuperative Care Center	767,144		767,144		
Rancho Los Amigos Recuperative Care Center	868,494		868,494		
Fire Station 104	550,656				\$ 550,656
Total 2021 Lease Revenue Bonds, Series F	\$ 14,464,469	\$ 0	\$ 13,913,813	\$ 0	\$ 550,656
2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery)					
High Desert Multi Service Ambulatory Care Center	\$ 7,004,125		\$ 7,004,125		
MLK Multi Service Ambulatory Care Center	8,521,875		8,521,875		
MLK Data Center	271,125		271,125		
Fire Station 128	227,625				\$ 227,625
Fire Station 132	374,000				374,000
Fire Station 150	574,125				574,125
Fire Station 156	337,625				337,625
Total 2022 Lease Revenue Refunding Bonds, Series G	\$ 17,310,500	\$ 0	\$ 15,797,125	\$ 0	\$ 1,513,375
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	\$ 4,853,525	\$ 4,853,525			
Total Long-Term Obligations	\$ 185,220,533	\$ 94,374,817	\$ 72,613,726	\$ 14,985,583	\$ 3,246,406
Total Obligations	\$ 185,220,533	\$ 94,374,817	\$ 72,613,726	\$ 14,985,583	\$ 3,246,406

Source: Los Angeles County Treasurer and Tax Collector
Note: Amounts do not include Tax Exempt Commercial Paper

**COUNTY OF LOS ANGELES
OUTSTANDING PRINCIPAL BY FUNDING SOURCE
AS OF JULY 1, 2023**

Title	Total Outstanding Principal	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds
Long-Term Obligations					
2010 Lease Revenue Bonds, Series B (Taxable): Coroners Expansion/ Refurbishment	\$ 23,134,216	\$ 23,134,216			
Patriotic Hall Renovation	37,357,589	37,357,589			
Hall of Justice Rehabilitation	192,859,216	192,859,216			
Olive View Medical Center ER/TB Unit	43,045,697		\$ 43,045,697		
Olive View Medical Center Seismic	17,733,139		17,733,139		
Harbor/UCLA Surgery/ Emergency	269,744,408		269,744,408		
Harbor/UCLA Seismic Retrofit	41,595,735		41,595,735		
Total 2010 Lease Revenue Bonds, Serie B (Taxable)	\$ 625,470,000	\$ 253,351,021	\$ 372,118,979	\$ 0	\$ 0
2011 High Desert Solar Complex (Taxable)	\$ 1,915,253	\$ 1,915,253			
2015 Lease Revenue Bonds, Series A Zev Yaroslavsky Family Support Center	\$ 122,715,000	\$ 122,715,000			
Manhattan Beach Library	10,780,000				\$ 10,780,000
Total 2015 Lease Revenue Bonds, Series A	\$ 133,495,000	\$ 122,715,000	\$ 0	\$ 0	\$ 10,780,000
2015 Lease Revenue Refunding Bonds, Series B LAX Area Courthouse	\$ 50,660,000			\$ 50,660,000	
Chatsworth Courthouse	42,490,000			42,490,000	
Total 2015 Lease Revenue Refunding Bonds, Series B	\$ 93,150,000	\$ 0	\$ 0	\$ 93,150,000	\$ 0
2015 Lease Revenue Refunding Bonds, Series C Michael D. Antonovich Antelope Valley Courthouse	\$ 13,980,000			\$ 13,980,000	
2016 Lease Revenue Bonds, Series D Martin Luther King Inpatient Tower	\$ 226,900,000	\$ 226,900,000			
2018 Lease Revenue Bonds Vermont Corridor Administration Building, Series A	\$ 297,280,000	\$ 297,280,000			
2019 Lease Revenue Bonds, Series E-1 East Antelope Valley Animal Shelter	\$ 12,825,000	\$ 12,825,000			
Probation Department Building	19,540,000	19,540,000			
Music Center Plaza	17,285,000	17,285,000			
Rancho Los Amigos NRC	153,620,000		\$ 153,620,000		
Fire Station 143	5,565,000				\$ 5,565,000
Total 2019 Lease Revenue Bonds, Series E-1	\$ 208,835,000	\$ 49,650,000	\$ 153,620,000	\$ 0	\$ 5,565,000
2019 Lease Revenue Bonds, Series E-2 MLK Medical Campus Parking Structure	\$ 30,870,000		\$ 30,870,000		
2020 Lease Revenue Bonds LACMA Buildings	\$ 351,620,000	\$ 351,620,000			
2021 Lease Revenue Bonds, Series F LAC+USC Medical Center Recuperative Care Center	\$ 13,200,000		\$ 13,200,000		
MLK Behavioral Health Center Renovation	201,475,000		201,475,000		
MLK Central Plan/Hospital Service Building	2,655,000		2,655,000		
Olive View Campus Recuperative Care Center	13,585,000		13,585,000		
Rancho Los Amigos Recuperative Care Center	15,375,000		15,375,000		
Fire Station 104	9,785,000				\$ 9,785,000
Total 2021 Lease Revenue Bonds, Series F	\$ 256,075,000	\$ 0	\$ 246,290,000	\$ 0	\$ 9,785,000
2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery) High Desert Multi Service Ambulatory Care Center	\$ 88,505,000		\$ 88,505,000		
MLK Multi Service Ambulatory Care Center	107,745,000		107,745,000		
MLK Data Center	3,375,000		3,375,000		
Fire Station 128	2,895,000				\$ 2,895,000
Fire Station 132	4,750,000				4,750,000
Fire Station 150	7,290,000				7,290,000
Fire Station 156	4,315,000				4,315,000
Total 2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery)	\$ 218,875,000	\$ 0	\$ 199,625,000	\$ 0	\$ 19,250,000
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	\$ 51,710,000	\$ 51,710,000			
Total Long-Term Obligations	\$2,510,175,253	\$ 1,355,141,274	\$1,002,523,979	\$ 107,130,000	\$ 45,380,000
Total Obligations	\$2,510,175,253	\$ 1,355,141,274	\$ 1,002,523,979	\$ 107,130,000	\$ 45,380,000

Source: Los Angeles County Treasurer and Tax Collector
Note: Amounts do not include Tax Exempt Commercial Paper

COUNTY OF LOS ANGELES
SUMMARY OF OUTSTANDING GENERAL FUND AND SPECIAL FUND OBLIGATIONS
AS OF MAY 1, 2024

Title	Outstanding Principal	Total Future Payments	2023-24 FY Payment Remaining
Long-Term Obligations			
Long-Term Capital Projects			
2010 Lease Revenue Bonds, Series B (Taxable)	\$ 602,940,000	\$ 868,045,904 (1) \$	0
2011 High Desert Solar Complex (Taxable)	1,531,795	1,567,647 (1)	0
2015 Lease Revenue Bonds, Series A	130,080,000	213,338,500	3,252,000
2015 Lease Revenue Refunding Bonds, Series B	93,150,000	116,917,250	2,328,750
2015 Lease Revenue Refunding Bonds, Series C	3,980,000	4,128,733	74,366
2016 Lease Revenue Bonds, Series D	221,220,000	354,950,675	5,042,047
2018 Lease Revenue Bonds, Series A	292,005,000	526,353,200	6,946,475
2019 Lease Revenue Bonds, Series E-1	205,075,000	371,553,500	5,126,875
2019 Lease Revenue Bonds, Series E-2	30,275,000	54,620,500	733,450
2020 Lease Revenue Bonds	345,365,000	564,190,850	7,109,000
2021 Lease Revenue Bonds, Series F	251,830,000	158,197,725	5,056,672
2022 Lease Revenue Bonds, Series G (Forward Delivery)	212,345,000	334,201,250	5,308,625
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	49,335,000	19,815,850	1,209,575
Total Long-Term Obligations	\$ 2,439,131,795	\$ 3,587,881,584	\$ 42,187,835

COPs = Certificates of Participation

(1) Total Future Payments reflects the County's net future payment obligation after receipt of a Federal interest subsidy authorized by the American Recovery and Reinvestment Act (ARRA) of 2009.

Source: Los Angeles County Treasurer and Tax Collector

Note: Amounts do not include Tax Exempt Commercial Paper

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COUNTY OF LOS ANGELES			
ESTIMATED OVERLAPPING DEBT STATEMENT AS OF MAY 1, 2024 [Needs to be Updated]			
2022-23 Assessed Valuation: \$1,918,068,686,502: (includes unitary valuation)			
	Applicable %	Debt as of 5/1/23	
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			
Metropolitan Water District	48.503 %	\$ 9,319,851	
Los Angeles Community College District	100.000	4,500,730,000	
Other Community College Districts	Various (1)	4,646,025,290	
Arcadia Unified School District	100.000	247,660,000	
Beverly Hills Unified School District	100.000	646,265,799	
Glendale Unified School District	100.000	335,745,563	
Long Beach Unified School District	100.000	1,299,754,702	
Los Angeles Unified School District	100.000	10,704,725,000	
Pasadena Unified School District	100.000	313,070,000	
Pomona Unified School District	100.000	459,351,706	
Redondo Beach Unified School District	100.000	204,951,837	
Santa Monica-Malibu Unified School District	100.000	879,077,688	
Torrance Unified School District	100.000	428,706,950	
Other Unified School Districts	Various (1)	4,618,512,974	
High School and School Districts	Various (1)	2,501,497,252	
City of Los Angeles	100.000	1,039,680,000	
City of Industry	100.000	15,870,000	
Other Cities	100.000	38,945,432	
Community Facilities Districts	100.000	725,982,358	
1915 Act and Benefit Assessment Bonds - Estimate	100.000	94,132,056	
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 33,710,004,458	
Less: Los Angeles Unified School District economically defeased general obligation bonds		(225,245,000)	
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 33,484,759,458	
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Los Angeles County General Fund Obligations	100.000 %	\$ 2,603,261,282	
Los Angeles County Office of Education Certificates of Participation	100.000	3,403,487	
Community College District Certificates of Participation	Various (2)	298,335,941	
Baldwin Park Unified School District Certificates of Participation	100.000	28,095,000	
Compton Unified School District Certificates of Participation	100.000	26,870,000	
Los Angeles Unified School District Certificates of Participation	100.000	97,870,000	
Paramount Unified School District Certificates of Participation	100.000	24,560,000	
Other Unified School District Certificates of Participation	Various (2)	202,747,008	
High School and Elementary School District General Fund Obligations	Various (2)	153,124,447	
City of Beverly Hills General Fund Obligations	100.000	83,295,000	
City of Los Angeles General Fund	100.000	1,294,915,783	
City of Long Beach General Fund Obligations	100.000	64,305,000	
City of Pasadena General Fund Obligations	100.000	378,938,265	
City of Pasadena Pension Obligations Bonds	100.000	130,525,000	
Other Cities' General Fund Obligations	100.000	4,028,262,162	
Los Angeles County Sanitation Districts Financing Authority	100.000	7,644,933	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 9,426,153,308	
Less: Cities' supported obligations		(442,792,285)	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 8,983,361,023	
OVERLAPPING TAX INCREMENT DEBT: (Successor Agencies):		\$ 1,845,200,738	
TOTAL DIRECT DEBT		\$ 2,603,261,282	
TOTAL GROSS OVERLAPPING DEBT		\$ 42,378,097,222	
TOTAL NET OVERLAPPING DEBT		\$ 41,710,059,937	
GROSS COMBINED TOTAL DEBT		\$ 44,981,358,504	
NET COMBINED TOTAL DEBT		\$ 44,313,321,219	
<p>(1) All 100%, or almost 100%, except for Antelope Valley Joint Union High School and Community College District, Fullerton Union High School District, Las Virgenes Joint Unified School District, North Orange County Joint Community College District, and the schools and special districts included in them.</p> <p>(2) All 100%, or almost 100%, except for Fullerton Union High School District, Las Virgenes Joint Unified School District, Snowline Joint Unified School District, Victor Valley Joint Community College District, and the schools and special districts included in them.</p> <p>(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Except for Los Angeles Unified School District Qualified Zone Academy Bonds (QZABs) are included based on principal due at maturity.</p>			
RATIOS TO 2022-23 ASSESSED VALUATION			
Total Gross Overlapping Tax and Assessment Debt	1.76 %		
Total Net Overlapping Tax and Assessment Debt	1.75 %		
Total Gross Direct Debt (\$2,603,261,282)	0.14 %		
Gross Combined Total Debt	2.35 %		
Net Combined Total Debt	2.31 %		
Ratios to Redevelopment Successor Agency Incremental Valuation (\$265,897,086,477):			
Total Overlapping Tax Increment Debt	0.87 %		
Source: California Municipal Statistics. The above report is included for general information purposes only. The County has not reviewed the debt report for completeness or accuracy and makes no representations in connection therewith.			

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of Appendix A contains general information concerning the historic economic and demographic conditions in the County. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature and reflects information available as of its dated date, and it is not possible at this time to predict whether the trends shown will continue in the future. The County makes no representation as to the accuracy or completeness of data obtained from parties other than the County. In particular, certain of the information provided in this Section predates the COVID-19 pandemic. See "Certain Risks – Financial Conditions in Local, State and National Economies."

Economic Overview

With a 2023 gross product projection of \$807 billion, Los Angeles County's economy is larger than that of 44 states and all but 21 countries. The County serves as the central trade district for the western United States and the U.S. gateway to the Asian economies, as it has evolved into a leader in international commerce and investments. The County's economy experienced steady growth in 2023 with an increase in economic output of 2.2%, as measured by Gross Product. However, during the same year, the County experienced a decline in total taxable sales of 3.0%.

The County's unemployment rate averaged 5% in 2023, which was unchanged from 2022. The recovery from the COVID-19 pandemic resulted in significant decrease in unemployment across key industries, including leisure and hospitality, professional and business services, education and health services, trade, transportation, and utilities, and other sectors. In 2024 and 2025, the job market is expected to decline with a projected unemployment rate of 5.4% and 5.6%, respectively.

During Fiscal Year 2016-17, voters approved various State and local ballot measures that generated approximately \$151.0 billion in funding for capital infrastructure and public services in the County. In the June and November 2016 elections, the voters in school and community college districts passed over \$9.4 billion in general obligation bond measures supported by ad valorem taxes to finance new capital construction and improvement projects, with an average approval rate of over 73%. As of December 31, 2023, K-12 schools and community college districts in the County had approximately \$24.1 billion of previously authorized, but unissued bond capacity. The Measure A parcel tax, which was approved by voters in November 2016, is expected to generate approximately \$94 million per year for the County's local parks, beaches, and open space areas, and will replace the expiring funding from voter approved Propositions A in 1992 and 1996.

The increase in sales tax revenue resulting from the 2008 voter-approved Measure R and the corresponding 2016 voter-approved Measure M will continue to provide funding for major highway and transit projects throughout the County. Measure M provides an indefinite extension of the increase in sales tax revenue approved by voters through Measure R, which was originally set to expire on July 1, 2039. Measure M is projected to generate \$120.0 million of sales tax revenue annually over the next 40 years for the Los Angeles County Metropolitan Transportation Authority ("MTA") to finance new transportation infrastructure projects.

On March 7, 2017, the voters approved Measure H authorizing a one-quarter percent (0.25%) County sales tax for ten years in order to fund homeless services and prevention. The increase in sales tax revenue resulting from the voter-approved Measure H provides funding to prevent and combat homelessness within the County. In 2017, Measure H was projected to generate approximately \$355.0 million of sales tax revenue per year for the County. However, Measure H revenues in 2023 exceeded the initial projection, resulting in over \$537 million in sales tax revenues for the year.

On November 6, 2018, voters passed Measure W authorizing the Los Angeles County Flood Control District to levy a special tax annually at the rate of 2.5 cents per square foot of impermeable area to assist in the capture of stormwater and related pollution clean-up. This Measure is projected to generate approximately \$300 million in tax revenue per year for the County until ended by voters (no sunset clause).

In addition, hospitals throughout the County are engaged in building programs to meet stricter earthquake standards and other regulatory requirements. These major construction projects, combined with the terminal expansions under way at the two primary seaports (Port of Los Angeles and Port of Long Beach), the expansion of the Los Angeles International Airport ("LAX"), and the expansion of the Metro Light Rail System have provided continued support to the job market in the County.

In terms of its industrial base, diversity continues to be the County's greatest strength, with health care, wholesale and retail trade, leisure and hospitality and manufacturing being the leading employment sectors in the private economy. The Los Angeles Customs District ("LACD"), which includes LAX, Port Hueneme, Port of Los Angeles, and the Port of Long Beach, is the largest customs district in the nation. The two major seaports (Port of Los Angeles and Port of Long Beach) encompass the largest port complex in the nation as measured by cargo tonnage and the number of containers handled and is ranked as the ninth largest among the world's port facilities. The Los Angeles region is the largest manufacturing center in the nation, with 318,500 workers employed in this sector in 2023.

Higher Education

The County is home to an extensive education system, with 83 colleges and university campuses, including UCLA; 5 state university campuses; 21 community colleges; prestigious private universities such as USC, Occidental College and the Claremont Colleges; religious-affiliated universities such as Pepperdine and Azusa Pacific; renowned technology schools such as the California Institute of Technology and the affiliated Jet Propulsion Laboratory; and specialized institutions such as the California Institute of the Arts, the Art Center College of Design, the Fashion Institute of Design and Merchandising, and the Otis College of Art and Design.

Culture

The County is the cultural center of the western United States and has been referred to as the "entertainment capital of the world", offering world-class museums, theaters, and music venues. The County is home to the world's leading movie studios, television networks, recording studios, video game developers, publishers

and artists, creating one of the largest centers for art and entertainment activity in the nation.

The Performing Arts Center of Los Angeles County, which includes the Dorothy Chandler Pavilion, Ahmanson Theater, Mark Taper Forum and Walt Disney Concert Hall, is one of the three largest performing art venues in the nation. The County features more musical and theatrical productions and has more weekly openings than most major cities in the world. The County is home to the Los Angeles Philharmonic Orchestra, which is recognized as one of the finest symphony orchestras in the world.

The County has among the largest number of museums per capita relative to other large metropolitan areas in the world. The area's museums showcase some of the world's finest collections of art, sculpture, manuscripts, and antiquities; as well as provide a historical overview of the area's ethnic heritage and experience. Major institutions include LACMA, the Natural History Museum of Los Angeles County, the Norton Simon Museum, the J. Paul Getty Museum, the Museum of Contemporary Art, the Huntington Library and the Broad Museum of Contemporary Art. A major construction project is currently underway on the LACMA campus to build a new museum facility to house LACMA's permanent art collection. The new \$700 million museum facility is expected to be completed by the end of 2024. The Broad Museum is located adjacent to the iconic Walt Disney Concert Hall and has helped to further strengthen and establish downtown Los Angeles as a premiere cultural destination on the west coast.

In March 2018, the Lucas Museum of Narrative Art in Exposition Park broke ground on a new museum facility. The \$1.5 billion museum facility was co-founded by George Lucas, and will include an art exhibition space, archive, library, an expansive lobby, classrooms, two state-of-the-art theaters, a museum shop, and a café. The new museum, which is scheduled to open in 2025, is located directly across the street from the University of Southern California and west of the Natural History Museum.

The Academy Museum of Motion Pictures opened in the Miracle Mile district of Los Angeles in September 2021. The \$482 million facility is the nation's first large-scale museum dedicated to the art, science, craft, business, and history of film. The 300,000 square-foot museum includes galleries, two theaters, an active education studio, an outdoor piazza, a rooftop terrace with views of the Hollywood Hills, and several spaces for special events and restaurants.

Sports and Recreation

With its geographic size, topography, mild climate, and an average of 329 days of sunshine per year, the County offers a full spectrum of recreational activities that are enjoyed by residents and visitors on a year-round basis. The County owns and maintains the world's largest man-made recreational harbor at Marina del Rey, and manages over 183 parks, including a network of 9 regional parks, 38 neighborhood parks, 20 community parks, 15 wildlife sanctuaries, 10 nature centers, 36 public swimming pools, over 200 miles of horse, biking and hiking trails, natural habitat and the world's largest public golf course system. Each year, millions of people visit the County's 25 miles of public beaches stretching along its 75-mile coastline, with bike enthusiasts able to enjoy the County's 22-mile beach bikeway.

Millions of visitors continue to enjoy the County's multitude of amusement parks, zoos, museums, theaters, sporting venues, motion picture and television studios, parklands, and world-renowned restaurants and retail centers. In addition, the County

is the host to several major annual events such as the January 1st Rose Parade & Rose Bowl game, Long Beach Grand Prix, Grammy Awards, and the Academy Awards. Los Angeles County has been a prior host to major sporting events such as the Summer Olympics, the World Cup, X Games, BCS College Football National Championship, and the Super Bowl.

In January 2016, National Football League (NFL) team owners voted to allow the St. Louis Rams to move to Los Angeles for the 2016 NFL season. A year later, NFL team owners voted to allow the San Diego Chargers to relocate to Los Angeles for the 2017 NFL season. After nearly four years of construction, the SoFi Stadium was completed in September 2020 at a cost of \$4.963 billion. The 298-acre facility located in the City of Inglewood features a stadium with a translucent roof with seating for 70,240 spectators, and the ability to expand an additional 30,000 seats for special events. The venue is home to the Los Angeles Rams and Los Angeles Chargers and hosted the 56th Super Bowl in February 2022. SoFi Stadium hosted the College Football Championship Game in 2023 and will host the Opening and Closing Ceremonies of the Olympic Games in 2028. The new stadium is part of a larger privately financed multibillion-dollar entertainment, retail and housing complex located on the former site of Hollywood Park.

In July 2017, the International Olympic Committee announced that the City of Los Angeles will host the 2028 Summer Olympics. This will be the third time that Los Angeles has hosted the Summer Olympics, with the previous occasions occurring in 1932 and 1984. A study prepared by Beacon Economics and the University of California Riverside estimated that the Olympic Games will have a significant economic impact to the regional economy, with an estimated \$9.6 billion in visitor spending generating approximately \$152 million to \$167 million of additional tax revenues.

On April 18, 2018, a new soccer stadium in Exposition Park was opened to the public. This Gensler-designed BMO Stadium seats 22,000 and is the home stadium to the Major League Soccer franchise the Los Angeles Football Club and the National Women's Soccer League's Angel City. This \$350 million facility also includes shops, restaurants, and conference space.

In September 2021, the Los Angeles Clippers broke ground on their future home in the City of Inglewood. The Intuit Dome, a \$1.8 billion arena, is scheduled to open in August 2024 in time for the 2024-25 NBA basketball season. The 18,000-capacity arena will include an 80,000 sq. ft. plaza, featuring bars, restaurants, a team store and a regulation-size basketball court for use by local youth leagues, AAU tournaments and to host community and charity events.

Population

The County is the most populous county in the U.S. with over 9.7 million people estimated to be residing within its borders. The 2023 population count experienced a minor decrease from 2022, and reflects the continuation of a multi-year trend of gradually declining population numbers, as reflected in Table C. The County's population makes it equivalent to the eleventh largest state in the nation and accounts for approximately 25.1% of the total population of California. According to the U.S. Census Bureau's demographic profile, the County's population is comprised of 49% Hispanic, 25.2% White, 15.8% Asian, 9% African American and 1% other. The County is home to the highest number of foreign-born residents in the nation and has the largest population of persons of Chinese, Filipino, Japanese,

Korean, Mexican, Salvadoran, and Thai descent outside their native countries, with more than 220 languages and cultures represented across the County. With 95 consulates, the County has a larger consular corps than any other U.S. city outside of Washington D.C. and New York City. It is estimated that 80.3% of the adult population has a high school diploma or higher, and 34.6% has a bachelor's degree or higher. Table B illustrates the historical population levels for the County.

Employment

Since the 2008 economic downturn, which had a significant adverse impact on the local economy, the County experienced a steady recovery in the job market from 2010 to 2019. The average unemployment rate increased from 5.1% in 2007 to 12.5% in 2010 but experienced a steady improvement over the next nine years to a cyclical low of 4.5% in 2019. In comparison, the average unemployment rates for the State of California and the United States in 2019 were 4.1% and 3.7%, respectively. As a result of the COVID-19 pandemic, the County experienced significant job losses in 2020, with the unemployment rate increasing to 13.6%. In 2022, the County's unemployment rate experienced significant improvement, falling to 5%, and holding steady at the same level in 2023. . The County's employment outlook is projected to decline over the next two years, with the unemployment rate increasing to 5.4% in 2024 and 5.6% in 2025. Table E details the County's historical unemployment rates from 2019 through 2023. Table F details the non-agricultural employment statistics by sector for the County from 2019 through 2023.

Personal Income

Total personal income in the County increased by an estimated 1.6% in 2023. The 2023 total personal income of \$732.3 billion represents an estimated 24.3% of the total personal income generated in California. Based on current projections, personal income is expected to increase by 2.8% in 2024 and 3.2% in 2025. Table C provides a summary of the personal income statistics for the County from 2019 through 2023.

Consumer Spending

As the most populous county in the nation with a vibrant and diverse economy, the County is recognized as a national leader in consumer spending. As a result of the COVID-19 pandemic, total taxable sales in the County decreased by 8.5% in 2020. As the local economy began to recover from the COVID-19 pandemic, the County's total taxable sales increased by 11.0% in 2022. In 2023, the County's total taxable sales decreased by 3%. The \$207.4 billion of total estimated taxable sales in the County for 2023 represents 22.3% of the total taxable sales in California, which underscores the significant importance of the County to the economic health of California. Table D provides a summary of total taxable sales activity in the County from 2019 through 2023.

Industry

With an estimated annual economic output of \$807 billion in 2023, the County continues to rank among the world's largest economies. The County's 2023 Gross Product represents approximately 25% of the total economic output in California and 2.9% of the Gross Product of the United States. The County's business environment is distinguished by its diversity and balance, and it is recognized as a world leader in technology, electronics, energy, communications, and entertainment. The top industries in the manufacturing sector include computer and electronics, apparel, transportation equipment, fabricated metal

products, and food. Table A provides the Gross Product statistics for the County from 2019 through 2023.

International Trade

Due to its strategic location, broad transportation network and extensive cargo facilities, the County has become the leading center of international trade in the United States. The County's airports and extensive port facilities serve as the gateway for the Southern California region's thriving international trade. As a result of the global economic downturn caused by the COVID-19 pandemic, the value of international trade processed through the LACD decreased by 5.4% from \$427.4 billion in 2019 to \$404.5 billion in 2020. As a result of improving economic conditions in 2022, the LACD experienced a significant increase in trade volume, handling approximately \$524.1 billion worth of international trade. However, due to supply chain and labor-related issues at west coast ports in 2023, the LACD experienced a significant decline in trade volume, handling approximately \$467.9 billion worth of international trade, which represents a 10.7% decrease from 2022.

Transportation and Infrastructure

The County is one of the world's largest transportation centers. The region's ports, airports, integrated rail and highway facilities are part of an extensive transportation infrastructure that provides valuable service to residents, visitors, and industry.

Airports and Harbors

All transcontinental airlines and many international carriers serve the Los Angeles area through major air terminals at LAX, Long Beach Airport and the Bob Hope Airport in Burbank. LAX is ranked as the sixth busiest airport in the world and fifth in the United States for passenger traffic. In 2020, due to travel restrictions related to the COVID-19 pandemic, LAX served 28.8 million passengers, representing a 67.3% decrease from the previous year. As travel restrictions eased, LAX served 75.1 million passengers in 2023, representing a 160.8% increase from 2020, and 13.8% increase from 2022. The 2.29 million tons of air cargo handled at LAX in 2023, represents a decrease of 7.14% from 2020 levels, and a decrease of 16.9% from 2022. The \$15 billion capital improvement project currently underway at LAX is expected to generate approximately 121,000 local jobs and is projected to last through 2028. On May 2, 2016, the Bob Hope Airport changed its branding name to Hollywood Burbank Airport to increase name recognition outside of Southern California. The Hollywood Burbank Airport is currently in the process of replacing its 14-gate terminal with a new state of the art facility. Construction was originally expected to begin on the replacement terminal in the first quarter of 2021, but the project was temporarily placed on hold due to the COVID-19 pandemic. The Airport Commission reinstated the project in August 2021, with the new terminal expected to be completed in the fourth quarter of 2026.

The Ports of Los Angeles and Long Beach are adjacent ports that encompass the nation's largest port complex in terms of annual cargo tonnage and container volume. The combined Los Angeles/Long Beach port complex has been one of the fastest growing port facilities in the United States and is the busiest port complex in the U.S. and western hemisphere, and the tenth busiest in the world. The port complex is a powerful economic force in the region, with a direct connection to hundreds of thousands of jobs in Southern California and billions of dollars in state and local tax revenue. The combined port complex

handled 16.6 million TEUs in 2023, which represents a 12.6% decrease in container volume from 2022.

The Port of Los Angeles is one of the largest man-made harbors in the world. In 2022, it was ranked as the busiest container port in the United States and the seventeenth (17th) busiest in the world, as measured by annual container volume. The Port of Los Angeles covers over 7,500 acres and includes 43 miles of waterfront. The Port has 27 passenger and cargo terminals, including facilities to handle automobiles, containers, dry bulk and liquid bulk products. In 2023, the Port handled 8.6 million TEUs, which represents a decrease of 12.93% in container volume from 2022.

The Port of Long Beach is also among the world's busiest container ports and was ranked behind the Port of Los Angeles as the second busiest port in the nation, and the nineteenth (19th) busiest in the world in 2022. The Port of Long Beach covers 3,520 acres with 10 separate piers, 80 berths, 72 cranes and 22 shipping terminals. In 2023, the port handled 8.0 million TEUs of container cargo, which represents a decrease of 12.21% from 2022.

The Ports of Los Angeles and Long Beach are currently in the process of major ongoing expansion programs that are expected to facilitate further growth and expansion of trade activity. The expansion of port facilities will have a positive future economic impact on the region through the creation of new jobs in the trade-related sectors of the local economy. The various expansion related projects will enable the region to more effectively manage higher volumes of imports and exports and provide a faster and more efficient system for the transportation of cargo from the port complex to markets nationwide.

Metro System

The Metro System is a multi-modal and integrated passenger transportation system that provides service to the greater Los Angeles area. With over 272 million in annual boardings, the Metro System is the ninth (9th) busiest public transportation systems in the U.S. The Metro System was designed to meet the travel needs of the area's diverse population centers through a variety of transportation services that will be implemented over a 30-year period. The integrated Metro System is administered and operated by the Los Angeles County Metropolitan Transportation Authority (the "MTA"), which is responsible for the planning, design, construction and operation of the public transportation system for the County.

The Fiscal Year 2023-24 operating budget for the MTA is \$9 billion, which is funded primarily through voter approved State and local sales taxes, State gasoline taxes, and various Federal, State and local grants. The MTA is currently working on approximately \$19.5 billion of multiple transportation infrastructure projects. Some of the noteworthy MTA projects include the Airport Rail Connector and Green Line Extension; East San Fernando Valley Transit Corridor; Gold Line Rail Extension; Purple Line Rail Subway Extension; West Santa Anita Light Rail Corridor; Orange Line BRT Improvements; South Bay Green Line Rail Extension and the Crenshaw/LAX Light Rail Extension.

Visitor and Convention Business

Tens of millions of visitors travel to Southern California each year, providing a significant contribution to the County's economy. Recently constructed hotels in downtown Los Angeles, Beverly Hills and Hollywood are expected to attract additional business and leisure travelers to the County. In 2022, the Los Angeles

region hosted 46 million visitors. The Los Angeles region is estimated to have recovered 99% of 2019 levels with 50.3 million visitors in 2023.

Real Estate and Construction

After enduring the adverse effects of the economic downturn starting in late 2007, the County's residential housing market has experienced a strong and steady recovery from 2012 to 2023. The average median price for new and existing homes, decreased by nearly 46% from a peak of \$532,281 in 2007 to a cyclical low of \$290,015 in January 2012. However, the real estate market stabilized in 2012 and has continued to experience strong growth, with an increase in the average median home price of 200% from 2012 to 2023.

In 2023, the residential real estate market continued to experience steady growth, as the average median home price increased by 2.8% to \$867,969 from 2022. Due to rising interest rates, new and existing home sales decreased by 35.6% from 88,679 in 2022 to 57,138 in 2023. After a record high of 105,433 in 2009, notices of default recorded decreased by 96.6% to 3,567 in 2021. Notices of default recorded increased in 2023 to 7,786, which represents a 7.9% increase from 2022. Foreclosures, as measured by the number of trustees deeds recorded, experienced a significant decrease of approximately 98% from a cyclical high of 39,774 in 2008 to 774 in 2022. The number of trustees deeds recorded increased in 2023 to 881, which represents a 13.8% increase from 2022.

Despite the severe downturn in the housing market from 2007 to 2011, the County has maintained stable assessed valuations. The stability of the property tax base is primarily due to the significant amount of "stored value" in the secured property tax roll as a result of Proposition 13. For Fiscal Year 2023-24, the Assessor reported a Net Local Roll of \$1.997 trillion, which represents an increase of 5.91% or \$111.451 billion from Fiscal Year 2022-23. The Fiscal Year 2022-23 Net Local Roll represents the largest revenue-producing valuation in the history of the County, and the thirteenth consecutive year of assessed valuation growth. The largest factors contributing to the increase in assessed valuation are transfers in ownership (\$67.438 billion) and an increase in the consumer price index (\$36.738 billion). For Fiscal Year 2024-25, the County Assessor is projecting an increase in the Net Local Roll of TBD% from Fiscal Year 2023-24.

The industrial market vacancy rates increased from 0.9% in 2022 to 3.4% in 2023. Office market vacancy rates increased from 20.8% in 2022 to 22.8% in 2023, which is still significantly higher than the 9.7% rate in 2007, prior to the previous economic downturn.

On June 23, 2017, the InterContinental hotel in the Wilshire Grand Center in Downtown Los Angeles opened after several years of construction. The 73-story, 1,100-foot-tall structure, which includes an InterContinental hotel, office space and condominiums, represents a \$1.35 billion private investment in Downtown Los Angeles. In August 2017, the University of Southern California completed a \$700 million mixed-use complex adjacent to its main campus, which is located just south of Downtown Los Angeles. The 1.2 million-square foot complex includes seven residential halls, a 30,000 square-foot fitness center, and is home to commercial tenants such as Trader Joe's, Target and CVS. In June 2022, The Grand LA opened after several years of construction. The \$1 billion mixed-use development project designed by Frank Gehry includes a 45-story residential tower with more than 500 luxury residence, a 20-story,

305-room Conrad Los Angeles Hotel, 12,000 square feet of meeting rooms, facilities and ballrooms, and 27,000 square feet of restaurants, lounges, and outdoor amenities.

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COUNTY OF LOS ANGELES
ECONOMIC AND DEMOGRAPHIC STATISTICAL TABLES

GROSS PRODUCT

POPULATION LEVELS

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TOTAL TAXABLE SALES

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AVERAGE ANNUAL EMPLOYMENT

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VALUE OF INTERNATIONAL TRADE AT MAJOR U.S. CUSTOMS DISTRICTS

TOTAL TONNAGE OF MAJOR WEST COAST PORTS

TOTAL CONTAINER TRAFFIC AT MAJOR U.S. PORTS

REAL ESTATE AND CONSTRUCTION INDICATORS

BUILDING PERMITS AND VALUATIONS

LARGEST PRIVATE SECTOR EMPLOYERS

DRAFT

TABLE A: GROSS PRODUCT OF LOS ANGELES COUNTY (in billions of \$)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Los Angeles County	\$767	\$729	\$774	\$790	\$807
State of California	2,963	2,925	3,146	3,167	3,233
United States	<u>21,521</u>	<u>21,323</u>	<u>23,594</u>	<u>25,744</u>	<u>27,631</u>
Los Angeles County as a % of California	25.9%	24.9%	24.6%	24.9%	25.0%

Source: Los Angeles County Economic Development Corporation; Bureau of Economic Analysis-US Department of Commerce
 * 2023 Los Angeles County GDP values are annual projections

TABLE B: POPULATION LEVELS (in thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Los Angeles County	10,163	10,014	9,942	9,835	9,761
State of California	<u>39,605</u>	<u>39,538</u>	<u>39,287</u>	<u>39,079</u>	<u>38,940</u>
Los Angeles County as a % of California	25.7%	25.3%	25.3%	25.2%	25.1%

Source: Los Angeles County Economic Development Corporation

TABLE C: TOTAL PERSONAL INCOME: HISTORICAL SUMMARY BY COUNTY (in millions of \$)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023*</u>
Los Angeles County	628,932	673,306	720,047	720,741	732,272
Orange County	221,692	240,734	257,834	263,290	264,343
San Diego County	204,585	222,584	240,246	243,506	254,782
Riverside County	103,614	116,940	126,261	127,196	126,942
San Bernardino County	89,182	100,360	108,700	108,082	109,595
Ventura County	53,164	57,575	62,555	63,590	63,781
State of California	<u>2,537,951</u>	<u>2,767,521</u>	<u>3,013,677</u>	<u>3,006,647</u>	<u>3,012,661</u>
Los Angeles County as a % of California	24.8%	24.3%	23.9%	24.0%	24.3%

Source: Los Angeles County Economic Development Corporation
 * Based on 2023 projections

TABLE D: TOTAL TAXABLE SALES IN LOS ANGELES COUNTY (in millions of \$)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Los Angeles County	172,314	157,738	192,524	213,717	207,351
State of California	<u>732,757</u>	<u>706,757</u>	<u>862,712</u>	<u>951,775</u>	<u>929,585</u>
Los Angeles County as a % of California	23.5%	22.3%	22.3%	22.5%	22.3%

Source: Los Angeles County Economic Development Corporation

TABLE E: UNEMPLOYMENT RATES

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Los Angeles County	4.5%	12.3%	9.0%	5.0%	5.0%
State of California	4.1%	10.1%	7.3%	4.3%	4.8%
United States	3.7%	8.1%	5.3%	3.6%	3.6%

Source: Los Angeles County Economic Development Corporation

TABLE F: ESTIMATED AVERAGE ANNUAL EMPLOYMENT IN LOS ANGELES COUNTY BY SECTOR**Non-Agricultural Wage and Salary Workers (in thousands)**

Employment Sector	2019	2020	2021	2022	2023
Health Care & Social Assistance	724.3	708.6	727.2	751.5	772.0
Wholesale & Retail Trade	635.0	577.3	598.9	607.0	598.9
Government	572.4	556.8	550.4	559.9	574.6
Leisure and Hospitality	545.7	392.5	433.3	510.3	525.6
Manufacturing	338.3	313.9	311.5	321.0	318.5
Professional Scientific & Technical Services	298.3	284.5	293.0	308.8	306.7
Administrative & Support & Waste Services	277.9	245.8	264.0	281.9	271.7
Information	206.1	184.1	205.1	232.5	203.4
Transportation, Warehousing & Utilities	207.5	202.7	208.5	218.1	211.0
Other	159.2	130.4	137.1	154.6	157.1
Construction	149.7	146.0	148.5	150.6	148.8
Educational Services	106.5	96.4	102.5	110.1	115.9
Finance & Insurance	134.5	130.6	127.3	124.8	120.8
Real Estate & Rental & Leasing	88.6	80.4	83.6	88.4	87.0
Management of Companies & Enterprises	62.7	59.4	61.9	61.3	62.1
Total	4,506.7	4,109.4	4,252.8	4,480.8	4,474.1

Source: Los Angeles County Economic Development Corporation; California Employment Development Department

Note: 2023 employment is annualized quarterly data

TABLE G: SUMMARY OF AIRPORT AND PORT ACTIVITY (in thousands)

Type of Activity	2019	2020	2021	2022	2023
International Air Cargo (Tons)					
Los Angeles International Airport	1,436.0	1,530.4	1,867.5	1,768.9	1,506.7
As Percentage of Total Air Cargo	62.08%	62.09%	62.79%	64.22%	65.83%
Total Air Cargo (Tons)					
Los Angeles International Airport	2,313.2	2,464.8	2,974.1	2,754.6	2,288.7
Long Beach Airport	21.1	15.7	14.9	14.4	13.1
Hollywood Burbank Airport	53.0	56.6	53.9	44.6	37.3
Total	2,387.4	2,537.1	3,042.9	2,813.5	2,339.1
International Air Passengers					
Los Angeles International Airport	25,696.3	6,421.7	7,965.3	16,520.1	22,223.9
As Percentage of Total Passengers	29.2%	22.3%	16.6%	25.1%	29.6%
Total Air Passengers					
Los Angeles International Airport	88,068.0	28,779.5	48,007.3	65,924.3	75,050.9
Long Beach Airport	3,584.2	1,043.8	2,104.1	3,242.8	3,739.3
Hollywood Burbank Airport	5,983.7	1,995.3	3,733.0	5,898.7	6,034.7
Total	97,636.0	31,818.6	53,844.3	75,065.9	84,824.9
Container Volume (TEUs)					
Port of Los Angeles	9,337.6	9,213.4	10,677.6	9,911.2	8,629.7
Port of Long Beach	7,632.0	8,113.3	9,384.4	9,133.7	8,018.7
Total	16,969.6	17,326.7	20,062.0	19,044.9	16,648.4

Source: Los Angeles World Airports; Hollywood Burbank Airport; Long Beach Airport; Port of Long Beach; Port of Los Angeles

TABLE H: VALUE OF INTERNATIONAL TRADE AT MAJOR CUSTOMS DISTRICTS (in millions of \$)

Customs District	2019	2020	2021	2022	2023
Los Angeles, CA*	\$427,395	\$404,484	\$478,351	\$524,074	\$467,881
New York, NY	381,305	395,170	466,177	521,087	484,838
Laredo, TX	324,045	291,417	354,749	412,731	436,963
Chicago, IL	255,222	268,579	343,318	388,009	365,407
Houston-Galveston, TX	235,371	194,412	273,361	390,137	362,582
Detroit, MI	263,025	227,084	267,665	301,652	314,108
New Orleans, LA	219,168	194,171	228,355	278,957	261,932
Savannah, GA	180,324	170,466	200,816	226,197	220,385
Cleveland, OH	151,193	149,320	168,063	187,189	173,676
Seattle, WA	143,047	111,205	140,585	156,908	146,789

Source: USA Trade Online

*Includes ports outside of LA County such as: Capitan, CA; Las Vegas, NV; March Inland Airport, CA; Meadows Field Airport, CA; Morro Bay, CA; Ontario International Airport, CA; Palm Springs Airport, CA; Port Hueneme, CA; Port San Luis, CA; San Bernardino International Airport, CA; Southern California Logistics Airport, CA; Ventura, CA

TABLE I: TOTAL TONNAGE OF MAJOR WEST COAST PORTS (in thousands)

Port	2019	2020	2021	2022	2023
Los Angeles-Long Beach, CA	217,958	213,643	234,536	222,745	202,353
Tacoma, WA	31,518	25,075	26,423	24,152	27,318
Oakland, CA	32,440	32,516	32,356	29,918	26,877
Seattle, WA	17,919	16,942	17,727	14,738	10,943
Longview/Kalama, WA	14,629	12,135	12,115	11,036	10,281
Portland, OR	12,661	11,112	12,749	12,256	10,800
Port Hueneme	6,370	5,821	6,885	8,055	7,889
San Diego, CA	5,333	3,943	4,350	4,698	4,968
Vancouver, WA	2,960	2,645	2,255	2,435	2,296

Source: Pacific Maritime Association, Annual Reports

TABLE J: TOTAL CONTAINER TRAFFIC AT MAJOR U.S. PORTS (TEUs in thousands)

Port	2019	2020	2021	2022	2023
Los Angeles-Long Beach, CA	16,970	17,327	20,062	19,045	16,648
New York-New Jersey, NY	7,471	7,586	8,986	9,494	7,810
Savannah, GA	4,599	4,682	5,613	5,892	4,938
Seattle-Tacoma, WA	3,775	3,320	3,736	3,384	2,237
Norfolk, VA	2,938	2,813	3,523	3,703	3,288
Houston, TX	2,990	2,989	3,453	3,975	3,835
Charleston, SC	2,436	2,310	2,751	2,792	2,482
Oakland, CA	2,500	2,461	2,448	2,337	2,066

Source: US Department of Transportation, Bureau of Transportation Statistics analysis; Port of Los Angeles; Port of Long Beach; The Port Authority of New York and New Jersey; Port of Oakland, Port of Virginia; The Northwest Seaport Alliance; Port of Houston Authority; South Carolina Ports

TABLE K: REAL ESTATE AND CONSTRUCTION INDICATORS IN LOS ANGELES COUNTY

Indicator	2019	2020	2021	2022	2023
1. New & Existing Median Home Prices	\$644,125	\$647,308	\$743,833	\$844,354	\$867,969
2. New & Existing Home Sales	78,323	72,484	94,832	88,679	57,138
3. Notices of Default Recorded	10,449	4,786	3,567	7,215	7,786
4. Office Market Vacancy Rates	14.0%	16.5%	19.1%	20.8%	22.8%
5. Industrial Market Vacancy Rates	2.4%	2.3%	0.7%	0.9%	3.4%

Source: CoreLogic, Newmark, and Colliers

TABLE L: BUILDING PERMITS AND VALUATIONS

	2019	2020	2021	2022	2023
Residential Building Permits					
1. New Residential Permits (Units)					
a. Single Family	5,738	6,219	7,338	8,301	
b. Multi-Family	15,884	14,077	16,718	18,912	
Total Residential Building Permits	21,622	20,296	24,056	27,213	0
Building Valuations					
2. Residential Building Valuations (in millions of \$)					
a. Single Family	\$1,967	\$1,877	\$2,089	\$2,180	
b. Multi-Family	2,961	2,793	3,027	3,524	
c. Alterations and Additions	1,626	1,017	909	1,423	
Residential Building Valuations Subtotal	\$6,554	\$5,687	\$6,025	\$7,127	\$0
3. Non-Residential Building Valuations (in millions of \$)					
a. Office Buildings	\$475	\$242	\$162	\$70	
b. Retail Buildings	1,338	897	170	879	
c. Hotels and Motels	203	232	53	41	
d. Industrial Buildings	64	32	28	25	
e. Alterations	3,404	1,243	949	2,417	
f. Other	1,105	879	508	752	
Non-Residential Building Valuations Subtotal	\$6,589	\$3,525	\$1,870	\$4,184	\$0
Total Building Valuations (in millions)	\$13,143	\$9,212	\$7,895	\$11,311	\$0

Source: California Building Industry Association

TABLE M: LARGEST PRIVATE SECTOR EMPLOYERS IN LOS ANGELES COUNTY

Company (in order of 2023 Ranking)	Industry	Headquarters	No. of Employees	
			L.A. County	Total
1 Kaiser Permanente	Health Care Provider	Oakland, CA	44,769	226,539
2 University of Southern California	Education-Private University	Los Angeles, CA	23,227	23,990
3 Northrop Grumman Corp.	Aerospace/Defense Contractor	Falls Church, VA	18,000	95,000
4 Cedars-Sinai	Health Care	Los Angeles, CA	16,730	18,114
5 Allied Universal	Security Professional and Safety Services	Santa Ana, CA	15,326	800,000
6 Target Corp.	Retailer	Minneapolis, MN	15,000	408,000
7 Providence	Health Care	Renton, WA	14,395	120,000
8 Ralphs/Food 4 Less - Kroger Co.	Grocery Retailer	Cincinnati, OH	14,000	28,500
9 Walt Disney Co.	Entertainment	Burbank, CA	12,200	190,000
10 Boeing Co.	Aerospace/Defense Contractor	Chicago, IL	12,005	156,354
11 UPS	Transportation and Freight	Atlanta, GA	11,643	N/A
12 Home Depot	Home Improvement Specialty Retailer	Atlanta, GA	11,200	N/A
13 NBCUniversal	Media and Entertainment	Philadelphia, PA	11,000	68,000
14 AT&T Inc.	Telecommunications	Dallas, TX	10,500	N/A
15 Amazon	Online Retailer	Seattle, WA	10,500	1,608,000
16 Albertsons Cos.	Grocery Retailer	Boise, Idaho	10,406	290,000
17 California Institute of Technology	Private University and Jet Propulsion Lab	Pasadena, CA	9,224	10,142
18 Edison International	Electric Utility, Energy Services	Rosemead, CA	7,672	N/A
19 City of Hope	Cancer Treatment and Research Center	Duarte, CA	7,535	8,687
20 ABM Industries Inc.	Facility Services	New York, NY	7,400	N/A
21 FedEx Corp.	Shipping and Logistics	Memphis, TN	6,750	N/A
22 Children's Hospital Los Angeles	Hospital	Los Angeles, CA	6,644	N/A
23 CommonSpirit Health	Health Care	Chicago, IL	6,263	150,000
24 Costco Wholesale	Membership Chain of Warehouse Stores	Issaquah, WA	6,002	N/A
25 Space Exploration Technologies Corp.	Rockets and Spacecraft	Hawthorne, CA	6,000	10,000

Source: Los Angeles Business Journal

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APPENDIX B

COUNTY OF LOS ANGELES FINANCIAL STATEMENTS

APPENDIX C

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

[BC to confirm.] Upon delivery of the Notes, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, proposes to render its final approving opinion with respect to the Notes in substantially the following form:

[Date of Delivery]

County of Los Angeles
Los Angeles, California

County of Los Angeles
2024-25 Tax and Revenue Anticipation Notes
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Los Angeles (the “County”) in connection with the issuance of \$ _____ aggregate principal amount of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes (the “Notes”), issued pursuant to a resolution of the Board of Supervisors of the County adopted on [May 21, 2024] (the “Resolution”) and the Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2024-25 Tax and Revenue Anticipation Notes, dated July 1, 2024, executed by the County (the “Financing Certificate”), and Article 7.6, Chapter 4, Part 1, Division 2 of Title 5 (commencing with Section 53850) of the California Government Code. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Financing Certificate.

In such connection, we have reviewed the Resolution, the Financing Certificate, the Tax Certificate of the County, dated the date hereof (the “Tax Certificate”), an opinion of County Counsel of the County, certificates of the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Notes on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Notes on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Financing Certificate and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Notes, the Resolution, the Financing Certificate and the Tax Certificate and their enforceability, may be subject to bankruptcy, insolvency, receivership,

reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the County in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Notes, and express no opinion or view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes constitute the valid and binding obligations of the County.
2. The Financing Certificate has been duly executed and delivered by, and constitutes the valid and binding obligation of, the County.
3. Interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest and excluded from gross income may depend upon the taxpayer's election under Internal Revenue Notice 94-84. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix D concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC, and the County and the Underwriters take no responsibility for the completeness or accuracy thereof. The County and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company, New York, NY, will act as securities depository for the Notes (the “Notes”). The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Notes in the aggregate principal amount thereof and will be deposited with DTC.

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on this website is not incorporated herein by reference.

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Distributions and other payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the County or its agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

9. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Notes will be printed and delivered to DTC and the requirements of the Resolution and Financing Certificate with respect to certificated Notes will apply.

10. The information in this Appendix D concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

NEITHER THE COUNTY NOR ANY OF THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OF THE NOTES OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

APPENDIX E

FORM OF DISCLOSURE CERTIFICATE

§ _____
COUNTY OF LOS ANGELES
2024-25 TAX AND REVENUE ANTICIPATION NOTES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the County of Los Angeles (the “**County**”) in connection with the issuance of \$_____ aggregate principal amount of the County’s 2024-25 Tax and Revenue Anticipation Notes (the “**Notes**”). The Notes are being issued pursuant to a Resolution adopted by the County on [May 21, 2024] (the “**Resolution**”), and a Financing Certificate executed by the Treasurer on July 1, 2024 (the “**Certificate**”). The County covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriters in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Certificate, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Beneficial Owner**” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

“**Dissemination Agent**” shall initially mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“**EMMA System**” shall mean the MSRB’s Electronic Municipal Market Access system.

“**Financial Obligation**” means “financial obligation” as such term is defined in the Rule.

“**Holders**” or “**Noteholders**” shall mean the registered owners of the Notes.

“**Listed Events**” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

“**Participating Underwriters**” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of California.

Section 3. Reporting of Listed Events.

(a) The County shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Notes in a timely manner not later than ten business days after the occurrence of the event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties of the County;
4. unscheduled draws on any credit enhancement reflecting financial difficulties of the County;
5. substitution of credit or liquidity providers or failure of a credit or liquidity provider to perform its obligations with respect to the Notes;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
7. modifications to rights of Noteholders, if material;
8. redemption or call of the Notes, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Notes, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the County; *provided* that for the purposes of the events described in this clause, such an event is considered to occur upon: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;
13. the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of the trustee, if material;
15. incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

Certain of the foregoing events may not be applicable to the Notes.

Section 4. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the payment in full of all the Notes. If such termination occurs prior to the final maturity of the Notes, the County shall give notice of such termination in the same manner as for a Listed Event under Section 3(a).

Section 5. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent, if other than the County, shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Notes.

Section 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no

obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 8. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in a U.S. District Court in or nearest to Los Angeles County. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution or the Certificate, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Dated: July 1, 2024

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector