



**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

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

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**Board of Supervisors**

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May 19, 2026

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:

**ISSUANCE AND SALE OF**  
**2026-27 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) 2026-27 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 2026-27 TRANS in a principal amount not to exceed \$1,000,000,000.

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt the attached Resolution authorizing the issuance and sale of the 2026-27 TRANS 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 2026-27 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 2026-27 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 2026-27.

**Implementation of Strategic Plan Goals**

The recommended action supports County North Star 3: Realize Tomorrow's Government Today; Focus Area Goal G – Internal Controls and Processes; Strategy 2 – Manage and Maximize County Assets.

**FISCAL IMPACT/FINANCING**

The borrowing cost of the 2026-27 TRANs will depend on market conditions on the date of the sale. The attached 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 three percent 3%.

**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 2026-27 TRANs in multiple series with different maturity dates that will not exceed 15 months. The 2026-27 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 early June 2026. Proceeds from the sale of the 2026-27 TRANs are expected to be available to the County on July 1, 2026.

Consistent with the County's historical practice, the Treasurer and Tax Collector is recommending a negotiated sale of the 2026-27 TRANs. Based on the results of a competitive solicitation process, BofA Securities was selected as the lead senior managing underwriter, with Wells Fargo appointed to serve as the co-senior manager. Up to four co-managers will be added to the underwriting syndicate for the 2026-27 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 2026-27 TRANs are issued as part of a cash management program, which has no direct impact on current services.

The Honorable Board of Supervisors

5/19/2026

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Respectfully submitted,

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

ELIZABETH BUENROSTRO GINSBERG

Treasurer and Tax Collector

EBG:LP:SD:JP:PP

Enclosures

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

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, PROVIDING FOR THE ISSUANCE AND SALE OF 2026-27 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, 2027 (“**Fiscal Year 2026-27**”), such indebtedness to be evidenced by the County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes authorized hereby (the first series of notes authorized hereby to be referred to herein as the “**Series A Notes**” and the additional series of notes authorized hereby to be referred to herein as “**Additional Notes**,” and collectively with the Series A Notes, the “**2026-27 TRANs**”), to be issued on a tax-exempt or taxable basis and in one or more series with such series designations as authorized hereby, 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 2026-27 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 2026-27 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 2026-27 that will be available for the payment of the 2026-27 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 \$14,000,000,000; 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 2026-27 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 2026-27 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, one or more of which are to be executed and delivered by the County in connection with the public offering and sale of the 2026-27 TRANs (each 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 a “**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 2026-27 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 hereby further authorized for and in the name of and on behalf of the County to execute and deliver one or more supplemental financing certificates amending or supplementing the Financing Certificate (each, a “**Supplemental Certificate**”) to provide for the issuance of Additional Notes in one or more series from time to time during Fiscal Year 2026-27 (in accordance with the terms and conditions set forth in, and subject to the limitations specified in, the Financing Certificate when executed and delivered pursuant to this Resolution). 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 2026-27 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 2026-27 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 and any Supplemental Certificate, together with the terms and conditions of the 2026-27 TRANs set forth in this Resolution, shall, upon the execution and delivery of the Financing Certificate and any Supplemental Certificate, be the terms and conditions of such 2026-27 TRANs, as if all such terms and conditions were fully set forth in this Resolution.

**Section 3.** The 2026-27 TRANs are hereby authorized to be issued, in one or more series, as authorized hereby from time to time during Fiscal Year 2026-27, in an aggregate principal amount not to exceed \$1,000,000,000, as follows:

(a) The Series A Notes are hereby authorized to be issued during Fiscal Year 2026-27 and shall be dated the date of issuance thereof, shall mature on one or more dates not more than thirteen (13) months thereafter, as shall be established by the Treasurer and set forth in the Financing Certificate, and shall bear interest, payable on such interest payment dates and at their respective maturity dates computed on the basis of a 360-day year composed of twelve 30-day months, at the rate or rates per annum determined at the time of the sale thereof (not to exceed the maximum interest rate permitted by law) as shall be established by the Treasurer and set forth in the Financing Certificate. The Series A Notes are hereby authorized to be issued in an aggregate principal amount not to exceed \$1,000,000,000. The terms of the Series A Notes shall be set forth in the Financing Certificate when executed and delivered pursuant to this Resolution.

(b) One or more series of Additional Notes are hereby authorized to be issued from time to time during Fiscal Year 2026-27, and each such series shall be dated the date of issuance thereof, shall mature on one or more dates not more than thirteen (13) months thereafter, as shall be established by the Treasurer and set forth in a Supplemental Certificate (in accordance with the terms and conditions set forth in, and subject to the limitations specified in, the Financing Certificate when executed and delivered pursuant to Section 2 hereof), and shall bear interest, payable on such interest payment dates and at their respective maturity dates computed on the basis of a 360-day year composed of twelve 30-day months, at the rate or rates per annum determined at the time of the sale thereof (not to exceed the maximum interest rate permitted by law) as shall be established by the Treasurer and set forth in such Supplemental Certificate. Each series of Additional Notes are hereby authorized to be issued in an aggregate principal which, when combined with the aggregate principal amount of the Series A Notes and any previously issued series of Additional Notes issued pursuant hereto, is not in excess of \$1,000,000,000. The terms of each series of Additional Notes shall be set forth in a Supplemental Certificate (in accordance with the terms and conditions set forth in, and subject to the limitations specified in, the Financing Certificate when executed and delivered pursuant to this Resolution). The Financing Certificate when executed may contain further limitations on the terms of the Additional Notes and the priority of payment of the 2026-27 TRANs of different series and maturities.

Each series of 2026-27 TRANs or portion thereof may be issued such that the interest on such series of 2026-27 TRANs is Tax-Exempt or such that the interest on such series of 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs the interest on which is not Tax-Exempt.

**Section 4.** In consideration of the purchase and acceptance of any and all of the 2026-27 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 2026-27 TRANs, regardless of the maturity or maturities of the separate series of 2026-27 TRANs, if any, all of which shall be of equal rank without preference, priority or distinction of any of the 2026-27 TRANs over any other thereof, except as expressly provided in or permitted by the Financing Certificate.

**Section 5.** The 2026-27 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 2026-27 TRANs issued under this Resolution from time to time 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 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs issued shall not exceed 1.00% of the aggregate principal amount of such series of 2026-27 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. If and to the extent it is necessary to make substantial changes to the form of the Preliminary Official Statement prior to the offering and sale of any 2026-27 TRANs, the use of the applicable Preliminary Official Statement in connection with the offering and sale of such 2026-27 TRANs, and the certification of its finality within the meaning of Rule 15c2-12 by the Treasurer, shall follow the distribution to the Board of a revised draft of such Preliminary Official Statement with accompanying directions and instructions to members of the Board to review such revised Preliminary Official Statement and provide any comments to the Treasurer.

**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 2026-27 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 2026-27 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 “2026-27 TRANs Repayment Fund” (the “**2026-27 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 2026-27 TRANs, the term “**Unrestricted Revenues**” shall mean the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs Repayment Fund, in trust for the registered owners of the 2026-27 TRANs, the Pledged Revenues to be so deposited, and the Auditor-Controller is hereby directed to deposit the Pledged Revenues in the 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs and that earnings on amounts in the 2026-27 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the County. Any amounts remaining in the 2026-27 TRANs Repayment Fund after repayment of all 2026-27 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 one or more Disclosure Certificates 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs, any Contract of Purchase, the Financing Certificate or any Supplemental 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 2026-27 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 2026-27 TRANs issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the 2026-27 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.

The foregoing resolution was on the \_\_\_\_ day of \_\_\_\_\_, 2026, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN  
Executive Officer of the Board of Supervisors  
of the County of Los Angeles

By: \_\_\_\_\_  
Deputy

Approved as to form:

DAWYN R. HARRISON  
County Counsel

By:  \_\_\_\_\_  
Senior Deputy County Counsel

**FINANCING CERTIFICATE  
PROVIDING FOR THE TERMS AND CONDITIONS  
OF ISSUANCE AND SALE OF COUNTY OF LOS ANGELES  
2026-27 TAX AND REVENUE ANTICIPATION NOTES**

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Dated: \_\_\_\_\_, 2026

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**\$\_[\_\_\_\_\_]**  
**COUNTY OF LOS ANGELES**  
**2026-27 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  
2026-27 TAX AND REVENUE ANTICIPATION NOTES**

In connection with the issuance and sale of the 2026-27 Tax and Revenue Anticipation Notes (the “**2026-27 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 2026-27 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.

“**Additional Notes**” shall mean 2026-27 TRANs other than the Series A Notes issued hereunder in accordance with the provisions of Sections 204 and 205, issued in an aggregate principal amount of not to exceed \$[\_\_\_\_\_].

“**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.

“**Book-Entry Notes**” means the 2026-27 TRANs registered in the name of the Securities Depository, or the nominee thereof, as the registered owner thereof pursuant to the terms and provisions of Section 202.

“**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 2026-27 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 2026-27**” shall mean the County’s fiscal year ending June 30, 2027.

“**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 2026-27 TRANs is registered on the Note Register.

“**Maturity Date**” shall mean any date or dates of maturity of the 2026-27 TRANs as set forth in the 2026-27 TRANs and in Section 203 hereof or Supplemental Certificate.

“**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, 23<sup>rd</sup> 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 2026-27 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 [\_\_\_\_], 2026, relating to the 2026-27 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 2026-27 TRANs, shall mean, as of any date, all of the 2026-27 TRANs theretofore or thereupon being issued under this Certificate except:

- (i) 2026-27 TRANs cancelled on or prior to such date;
- (ii) 2026-27 TRANs for which other 2026-27 TRANs shall have been delivered in lieu of or in substitution therefor pursuant to Article III; and
- (iii) 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$1,000,000,000” adopted on May 19, 2026, 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 2026-27 TRANs appointed pursuant to Section 202.

**“Series A Notes”** shall mean all of the County’s 2026-27 Tax and Revenue Anticipation Notes, Series A, issued in an aggregate principal amount of \$[\_\_\_\_\_].

**“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 2026-27 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 2026-27 TRANs, if any, the interest on which is not Tax-Exempt.

**“2026-27 TRANs”** shall mean all of the Series A Notes and any Additional Notes, issued in an aggregate principal amount of not to exceed \$1,000,000,000, and authorized pursuant to the Resolution.

**“2026-27 TRANs Proceeds Fund”** shall mean the 2026-27 TRANs Proceeds Fund as described in Section 401.

**“2026-27 TRANs Repayment Fund”** shall mean the 2026-27 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 2026-27 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.

**“Written Certificate of the County”** means a written certificate signed in the name of the County by the Treasurer. Any such certificate may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

**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 2026-27 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 2026-27 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 2026-27 TRANs all of which shall be of equal rank without preference, priority or distinction of any of the 2026-27 TRANs over any other thereof, except as expressly provided in or permitted by this Certificate.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF 2026-27 TRANs

**Section 201. Authorization, Form and Date of 2026-27 TRANs.**

1. The 2026-27 TRANs in an aggregate principal amount of not to exceed \$1,000,000,000 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 2026-27 TRANs shall be issued in anticipation of the receipt by or accrual to the County during Fiscal Year 2026-27 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 2026-27 Tax and Revenue Anticipation Notes.”

2. The 2026-27 TRANs shall be designated generally as the “County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes,” each series thereof to bear such additional designation as may be necessary or appropriate to distinguish such series from every other series of 2026-27 TRANs.

3. Except as otherwise provided in a Supplemental Certificate, the 2026-27 TRANs shall be issued in fully registered form, without coupons and in Authorized Denominations, and the 2026-27 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 2026-27 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 2026-27 TRANs shall be in substantially the form attached hereto as Exhibit I, which form is hereby approved and adopted as the form of the 2026-27 TRANs.

4. Except as otherwise provided in a Representation Letter, interest due on each 2026-27 TRAN, 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 2026-27 TRAN 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 2026-27 TRANs, the principal of and interest then due on the 2026-27 TRANs shall be payable in lawful money of the United States of America upon surrender of the 2026-27 TRANs at the Principal Office of the Paying Agent. The 2026-27 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 2026-27 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 or in a Supplemental Certificate and subject to any limitation on maximum principal amount imposed by DTC, the 2026-27 TRANs of each series or subseries 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 2026-27 TRANs, and upon initial issuance, the ownership of such 2026-27 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 a Supplemental Certificate and except as otherwise provided in this Section, all of the 2026-27 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 Book-Entry Notes 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 Book-Entry Notes. 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 Book-Entry Notes, (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 Book-Entry Notes 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 Book-Entry Notes. The County may treat and consider the Person in whose name any Book-Entry Notes is registered in the Note Register as the Holder and absolute owner of such Book-Entry Notes for the purpose of payment of principal and interest on such Book-Entry Notes and for all other purposes whatsoever.

3. The Paying Agent shall pay all principal of and interest on the Book-Entry Notes 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 Book-Entry Notes under this Certificate and the Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes as are necessary or desirable to carry out the transfers and exchanges provided in this Section and Section 302. All such Book-Entry Notes 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 Book-Entry Notes 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 Book-Entry Notes shall be

given and made, respectively, as provided in a Representation Letter or as otherwise instructed by the Securities Depository.

**Section 203. Terms of Series A Notes.**

1. The Series A Notes shall be designated “County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes, Series A.” The aggregate principal amount of Series A Notes that may be issued shall not exceed \$ \_\_\_\_\_, except as may be otherwise provided in Section 303 hereof.

2. The Series A Notes 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>
[_____, 202_]	[\$_____]	[_____]%

3. The Series A Notes shall be dated [\_\_\_\_\_, 202\_]. Interest shall be paid on \_\_\_\_\_, 202\_, and each Maturity Date of the Series A Notes. The Series A Notes shall bear interest from their date of original issuance payable at their respective stated Maturity Dates and calculated at the rate or rates set forth above per annum, on the basis of a 360-day year comprised of twelve months of 30 days each.

4. [The Series A Notes shall not be subject to redemption prior to their respective Maturity Dates.]

**Section 204. Conditions for the Issuance of Additional Notes.** The County may at any time during Fiscal Year 2026-27 issue Additional Notes to be designated “County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes,” each series thereof to bear such additional designation as may be necessary or appropriate to distinguish such series from every other series of 2026-27 TRANs, payable on a parity with the Series A Notes as provided herein, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Notes:

1. the County shall not have issued any tax and revenue anticipation notes relating to Fiscal Year 2026-27, except (a) pursuant to the Resolution, this Certificate and any Supplemental Certificate, or (b) notes secured by a pledge of, lien on and security interest in its Unrestricted Revenues (as defined in Section 402) that is subordinate in all respects to the pledge of, lien on and security interest in its Unrestricted Revenues granted hereunder; the County shall be in compliance with all agreements and covenants contained in the Resolution, this Certificate and any Supplemental Certificate; and no Event of Default shall have occurred and be continuing hereunder;

2. the issuance of the Additional Notes shall have been authorized under and pursuant to the Act and under and pursuant the Resolution and this Certificate and shall have been provided for by a Supplemental Certificate which shall specify the following:

(a) the aggregate principal amount of the Additional Notes, which, when combined with the aggregate principal amount of any previously issued series of Additional Notes, shall not exceed \$[\_\_\_\_\_];

(b) the denominations of the Additional Notes, which shall be Authorized Denominations;

(c) the date, the interest rate or rates, and the Maturity Date or dates (not more than thirteen (13) months thereafter) of the Additional Notes; provided that no Additional Notes shall have a Maturity Date on or prior to the Maturity Date of the Series A Notes;

(d) whether such Additional Notes shall be issued as Tax-Exempt or Taxable Notes;

(e) that such Additional Notes shall not be subject to redemption prior to their respective Maturity Dates; and

(f) such other provisions that are appropriate or necessary and are not inconsistent with the provisions the Resolution or this Certificate.

**Section 205. Procedure for the Issuance of Additional Notes.** Whenever the County shall determine to authorize the issuance of the Additional Notes, the County shall enter into a Supplemental Certificate satisfying the conditions of Section 204 hereof. Before the Additional Notes shall be issued, the County shall file or cause to be filed with the Paying Agent the following:

1. an Opinion of Bond Counsel to the effect that (a) the Additional Notes to be issued constitute the valid and binding obligations of the County, and (b) the applicable Supplemental Certificate has been duly executed and delivered by, and constitutes the valid and binding obligation of, the County;

2. a Written Certificate of the County that the requirements of Section 204 hereof have been met;

3. an executed counterpart or duly authenticated copy of the Supplemental Certificate; and

4. the Additional Notes duly executed.

## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF 2026-27 TRANS

#### **Section 301. Execution of 2026-27 TRANS; Authentication.**

1. The 2026-27 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 of the Board, and the County's seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. No 2026-27 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 2026-27 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 2026-27 TRANS shall be conclusive evidence, and the only evidence, that such 2026-27 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 2026-27 TRANS shall cease to be such officer before the 2026-27 TRANS so signed and sealed shall have been issued, such 2026-27 TRANS so signed and sealed may nevertheless be issued, as herein provided, as if such persons who signed or sealed such 2026-27 TRANS had not ceased to hold such offices. Any of the 2026-27 TRANS may be signed and sealed on behalf of the County by such persons as at the time of the execution of such 2026-27 TRANS shall be duly authorized to hold or shall hold the proper office in the County, although on the date borne by the 2026-27 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 2026-27 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 2026-27 TRANS on such books as hereinafter provided.

2. Any 2026-27 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 2026-27 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 2026-27 TRANS shall be surrendered for transfer, the County shall execute, and the Paying Agent shall authenticate and deliver new 2026-27 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 2026-27 TRANs as the absolute owner of such 2026-27 TRANs, regardless of whether such 2026-27 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 2026-27 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 2026-27 TRANs shall not be exchangeable for other 2026-27 TRANs except as provided in Section 202, this Section and Section 303.

**Section 303. 2026-27 TRANs Mutilated, Destroyed, Stolen or Lost.** In case any 2026-27 TRANs shall become mutilated or be destroyed, stolen or lost, the County shall issue new 2026-27 TRANs of like principal amount, denomination and tenor as the 2026-27 TRANs so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated 2026-27 TRANs, or in lieu of and substitution for the 2026-27 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 2026-27 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 2026-27 TRANs so surrendered shall be cancelled. Any such substitute 2026-27 TRANs shall constitute original contractual obligations on the part of the County, whether or not the 2026-27 TRANs alleged to be destroyed, stolen or lost are at any time enforceable by anyone. Such substitute 2026-27 TRANs shall be equally secured by and entitled to equal and proportionate benefits with all other 2026-27 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 2026-27 TRANs.

**Section 304. Cancellation.** All 2026-27 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 2026-27 TRANs. In all matters provided for in this Section, the County shall act through the Treasurer.

**Section 305. 2026-27 TRANs Held by County.** If the County shall become the Holder of any 2026-27 TRANs, such 2026-27 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 2026-27 TRANs held by it in a fiduciary capacity.

**ARTICLE IV**

**ESTABLISHMENT OF 2026-27 TRANS PROCEEDS FUND AND  
REPAYMENT FUND AND APPLICATION THEREOF**

**Section 401. Use of Proceeds of 2026-27 TRANS.**

1. The Auditor-Controller is hereby directed to establish the “2026-27 TRANS Proceeds Fund” and to establish any subaccounts within the 2026-27 TRANS Proceeds Fund if deemed necessary to effectuate the purposes of the Resolution and this Certificate. Except as directed by the Treasurer, the proceeds of the sale of the 2026-27 TRANS upon original issuance shall be deposited in said 2026-27 TRANS Proceeds Fund. The County shall make disbursements from the 2026-27 TRANS Proceeds Fund to pay current Fiscal Year 2026-27 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 2026-27 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 2026-27 TRANS Proceeds Fund, as well as a written record of disbursements from the 2026-27 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 2026-27 TRANS out of moneys in the 2026-27 TRANS Proceeds Fund or any account in the General Fund of the County.

**Section 402. Payment and Security for the 2026-27 TRANS.** Pursuant to the Resolution, the Auditor-Controller is hereby directed to establish the “2026-27 TRANS Repayment Fund” and to establish any subaccounts within the 2026-27 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 2026-27 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\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) [an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3)] to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[\_\_\_\_\_] , plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates;]

(b) [the first Unrestricted Revenues to be received by the County on and after [\_\_\_\_\_, 202\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal

amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) [an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3)] to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[\_\_\_\_\_] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clause (a) above, plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates less the amount of any interest on Additional Notes included in any previous period's calculation as described in clause (a) above;]

(c) [the first Unrestricted Revenues to be received by the County on and after [\_\_\_\_\_, 202\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3) to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[\_\_\_\_\_] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clauses (a) and (b) above, plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates less the amount of any interest on Additional Notes included in any previous period's calculation as described in clauses (a) and (b) above;] and

(d) [the first Unrestricted Revenues to be received by the County on and after the date or dates indicated in a Supplemental Certificate relating to one or more series of Additional Notes, in an amount, with respect to each date, equal to (1) the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[\_\_\_\_\_] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clauses (a), (b) and (c) above, plus (B) an amount equal to the interest that will accrue on the Additional Notes indicated in such Supplemental Certificate less the amount of any interest on Additional Notes included in any previous period's calculation as described in clauses (a), (b) and (c) above.]

In addition to the pledge, lien, and security interest set forth above, as security for the payment of the 2026-27 TRANs and the interest thereon, the County also hereby pledges and grants a lien on and a security interest in the 2026-27 TRANs Repayment Fund, all amounts and other property on deposit in or credited to the 2026-27 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 2026-27 TRANs and the interest thereon until the 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs Repayment Fund, in trust for the registered owners of the 2026-27 TRANs, the Pledged Revenues to be so deposited, and the Auditor-Controller is hereby directed to deposit the Pledged Revenues in the 2026-27 TRANs Repayment Fund. To the extent that any amounts received pursuant to clauses [(a) through (d)] above are less than the total amount designated for such deposit, then the amount of any deficiency in the 2026-27 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 2026-27 TRANs Repayment Fund.

The Paying Agent shall use the moneys in the 2026-27 TRANs Repayment Fund on the interest Payment Date or dates to pay interest on the 2026-27 TRANs then due and on the maturity date or dates of the 2026-27 TRANs to pay the principal of and interest on the 2026-27 TRANs then due. If for any reason amounts in the 2026-27 TRANs Repayment Fund are insufficient to pay the 2026-27 TRANs in full, such amounts shall be applied to the payment of principal of and interest payable upon the 2026-27 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 2026-27 TRANs Repayment Fund after repayment of all 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs, shall exist, shall have happened and shall have been performed, in due time, form and manner, and the issue of 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs or the Official Statement.

**Section 502. Covenants Relating to the Code.** The County shall do the following with respect to the 2026-27 TRANs:

1. The County shall comply with each applicable requirement of the Code necessary to maintain the exclusion of interest on Tax-Exempt 2026-27 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 2026-27 TRANs. The County shall make all calculations as provided in each Tax Certificate relating to any rebate of excess investment earnings on Tax-Exempt 2026-27 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 2026-27 TRANs for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs.

**Section 604. Ownership of the 2026-27 TRANs Permitted.** Subject to Section 305, the Paying Agent may become the Holder of any 2026-27 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 provide for the issuance of the Additional Notes, and to provide the terms and conditions under which the Additional Notes may be issued, subject to and in accordance with the provisions of Section 204 and Section 205 hereof;

(f) 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 2026-27 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

(g) 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 TRANs that remain unclaimed for a period of one year after the date when such 2026-27 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 2026-27 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 2026-27 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 2026-27 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 2026-27 Tax and Revenue Anticipation Notes on this [\_\_\_\_] day of July, 2026.

**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 2026-27 Tax and Revenue Anticipation Notes]

**EXHIBIT I**

**FORM OF 2026-27 TRANS**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
2026-27 TAX AND REVENUE ANTICIPATION NOTE, SERIES A**

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 2026-27 Tax and Revenue Anticipation Notes” (herein called the “**Notes**”), authorized in an aggregate principal amount of not to exceed \$1,000,000,000, all of like tenor, made, executed and given pursuant to the authority of 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 May 19, 2026, entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2026-27 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$1,000,000,000” (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 [\_\_\_\_], 2026, entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2026-27 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 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 of Series A of which this Note is one are issued in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). Pursuant to and as more particularly provided in the Resolution and the Certificate, Additional Notes may be issued by the County secured by pledges, liens, and security interests on a parity with the pledges, liens, and security interests securing this Note; provided, that, if for any reason amounts in the 2026-27 TRANs Repayment Fund are insufficient to pay all series of Notes in full, such amounts shall be applied to the payment of principal of and interest payable upon each series of Notes in order of the due dates thereof.]

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 2026-27 and other specified property, as provided in the 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 2026-27, and certain related property as described in the 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 or Supplemental 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 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 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**  
**2026-27 TAX AND REVENUE ANTICIPATION NOTES**  
**SERIES A**

**CONTRACT OF PURCHASE**

June [ ], 2026

Board of Supervisors  
County of Los Angeles  
Los Angeles, California

Honorable Members of the Board of Supervisors:

The undersigned, BofA Securities, Inc. (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 5:00 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 in 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 2026-27 Tax and Revenue Anticipation Notes, Series A (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 May [ ], 2026 and entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2026-27 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$[\_\_\_\_\_]” (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 2026-27 Tax and Revenue Anticipation Notes” (the “Financing Certificate”).

The Notes shall be dated July 1, 2026, mature on June 30, 2027 and bear interest at [\_\_\_\_\_] % per annum.

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

The Preliminary Official Statement of the County, dated May [ ], 2026, 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 July 1, 2026 (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 her 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 initial 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 at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, 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.

(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 been satisfied and whether, as agreed to by the County and the Representative, on behalf of the Underwriters, 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 any 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 SERIES A 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 SERIES A 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, the Preliminary Official Statement (excluding any information relating to The Depository Trust Company, New York, New York (“DTC”) and information under the caption “UNDERWRITING”) 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; and

(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.

#### **SECTION 7. Closing.**

(a) At 8:00 a.m., Los Angeles time, on July 1, 2026, 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 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 Katten Muchin Rosenman 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 which 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 any 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; or

(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; or

(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; (v) and 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 BofA Securities, Inc., 333 S. Hope Street, Suite 3820, Los Angeles, CA 90071, Attention: Frank X. Lauterbur, Managing Director.

**SECTION 12. Entire Agreements; 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.

Very truly yours,

BOFA SECURITIES, INC.,  
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: \_\_\_\_\_  
Deputy County Counsel

[Signature page to Contract of Purchase]

**APPENDIX I**  
**UNDERWRITERS**

BofA Securities, Inc.  
Wells Fargo Corporate & Investment Banking

[ \_\_\_\_\_ ]

**APPENDIX II**

**ISSUE PRICE**

<b><u>Maturity Date</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>10% Test Satisfied</u></b>	<b><u>Subject to hold-the-offering-price rule</u></b>
June 30, 2027	\$[ ]	[ ]%	[ ]%	[ ]%	[ ]	[ ]

## 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, dated June \_\_, 2026 (the “Contract of Purchase”), by and between the County and BofA Securities, Inc., as Representative of the Underwriters named therein, relating to the \$\_\_\_\_\_ aggregate principal amount of County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes, Series A (the “Series A Notes”);

(d) To the best of my knowledge, the County’s Official Statement dated June \_\_, 2026 (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,” 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 Series A 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 2026-27 and which are lawfully available for the payment of the Series A Notes. Pursuant to the “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes” (the “Financing Certificate”), the County has pledged as security for the Series A Notes such taxes, income, revenue, cash receipts and other moneys totaling the aggregate principal amount of the Series A Notes, together with an amount sufficient to pay the interest thereon, subject only to the provisions of the Financing Certificate. The amount of taxes, income, revenue, cash receipts and other moneys so pledged to secure the payment of the Series A Notes is specified in the Financing Certificate. Pursuant to Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code, the Financing Certificate creates a valid pledge of and lien on the taxes, income, revenue, cash receipts and other moneys specified therein to pay the Series A Notes and the interest thereon. The Series A 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 2026-27 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 hereof pursuant to the Contract of Purchase, the Financing Certificate and the Resolution; and

(g) 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 1<sup>st</sup> day of July, 2026.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Elizabeth Buenrostro Ginsberg  
Treasurer and Tax Collector

**EXHIBIT B**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

[To be provided]

**EXHIBIT C**

**FORM OF OPINION OF COUNSEL TO THE COUNTY**

[Closing Date]

BofA Securities, Inc.,  
as Representative of the Underwriters  
Los Angeles, California

Re: \$ \_\_\_\_\_ County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes,  
Series A

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 June \_\_, 2026 (the “Contract of Purchase”), by and between the County and BofA Securities, Inc., 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 2026-27 Tax and Revenue Anticipation Notes, Series A (the “Notes”).

The Notes are issued pursuant to a resolution of the Board of Supervisors of the County adopted on May \_\_, 2026 entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of County of Los Angeles 2026-27 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 2026-27 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 June \_\_, 2026 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 May \_\_, 2026 (the “Preliminary Official Statement”) and its Official Statement dated June \_\_, 2026 (the “Official Statement”), each relating to its 2026-27 Tax and Revenue Anticipation Notes, Series A (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 May \_\_, 2026 (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 BofA Securities, Inc., as representative of itself, Wells Fargo Corporate & Investment Banking, [\_\_\_\_\_] and [\_\_\_\_\_], as underwriters for the herein described Notes (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, Katten Muchin Rosenman 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 its date and as of June \_\_, 2026 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]

BofA Securities, Inc.  
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 May \_\_, 2026 and the Official Statement dated June \_\_, 2026, each relating to the County's 2026-27 Tax and Revenue Anticipation Notes, Series A. 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: BofA Securities, Inc.,  
as Representative of the Underwriters identified in the Purchase Contract  
described below  
Los Angeles, California

We have served as counsel to the group of underwriters identified in the Purchase Contract described below (the “Underwriting Group”), for whom you are acting as Representative, in connection with the purchase by the Underwriting Group from the County of Los Angeles, California (the “County”) of its \$ \_\_\_\_\_ 2026-26 Tax and Revenue Anticipation Notes, Series A (the “Notes”), dated the date of this letter, pursuant to the Contract of Purchase, dated June \_\_, 2026 (the “Purchase Contract”), between the Underwriting Group and the County. This letter is provided pursuant to Section 8(e)(vii) of the Purchase Contract. Capitalized terms not otherwise defined in this letter are used as defined in the Purchase Contract.

In accordance with the terms of our engagement, certain of our lawyers reviewed (a) the Preliminary Official Statement dated May \_\_, 2026 (the “Preliminary Official Statement”), and (b) the Official Statement dated June \_\_, 2026 (the “Official Statement”) relating to the Notes, and participated in discussions with representatives of the County, Omnicap Group LLC, as municipal advisor to the County, County Counsel, note counsel, the Underwriting Group, and others, regarding the Preliminary Official Statement and the Official Statement, the information contained therein, and related matters.

The purpose of our professional engagement in that regard was not to establish or to confirm factual matters set forth in the Preliminary Official Statement or the Official Statement, and we have not undertaken to verify independently any of those factual matters. Many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve matters of a non-legal nature.

Subject to the foregoing, on the basis of the information gained by our lawyers involved in the review and discussions referred to above, we confirm to you that nothing came to the attention of those lawyers that caused them to believe that (1) the Preliminary Official Statement, as of its date and as of the date of the Purchase Contract, contained any untrue statement of a material fact or omitted 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, or (2) the Official Statement, as of its date and as of this date, 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; *provided, however*, that we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, and we do not express any belief with respect to the financial statements in Appendix B – “COUNTY OF LOS ANGELES FINANCIAL STATEMENTS,” or other financial, technical, statistical, accounting or demographic data or forecasts, or any information about the book-entry system and The

Depository Trust Company, the information under the heading “Tax Matters,” or in Appendix C – “PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL,” Appendix D – “BOOK-ENTRY ONLY SYSTEM,” or Appendix E – “FORM OF DISCLOSURE CERTIFICATE,” contained in the Preliminary Official Statement or the Official Statement.

In addition to the review and discussions referred to above, we have also examined an executed counterpart of the Purchase Contract and such other proceedings, documents, matters and law as we deem necessary to render the opinions set forth below.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. Based on and in reliance on the opinion delivered by Bond Counsel as to the Federal tax status of interest on the Notes, the Notes are exempt from registration under the Securities Act of 1933, as amended, and the Resolution and the Financing Certificate are exempt from qualification under the Trust Indenture Act of 1939, as amended.
2. The Disclosure Certificate satisfies the requirement of paragraph (b)(5) of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “Rule”), that the Underwriting Group obtain an undertaking for the benefit of the holders, including beneficial owners, of the Notes to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

The legal opinions stated immediately above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by and the valid, binding and enforceable nature of those documents upon the parties thereto.

This letter is being furnished only to the Underwriting Group for its use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement in connection with the original issuance and delivery of the Notes is concluded upon delivery of this letter.

Respectfully submitted,

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2026

**NEW ISSUE – BOOK-ENTRY ONLY**

**Ratings:**  
**Moody's:** “\_\_\_\_”  
**S&P:** “\_\_\_\_”  
**Fitch:** “\_\_\_\_”  
**(See “RATINGS” herein.)**

[BC to confirm] *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 on the Series A 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 Series A 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 Series A Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series A 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 Series A Notes. See “TAX MATTERS” herein.*



**[\$Par Amount]\***  
**COUNTY OF LOS ANGELES**  
**2026-27 Tax and Revenue Anticipation Notes,**  
**Series A**  
 \_\_\_\_\_% Priced to Yield \_\_\_\_\_%  
**CUSIP† No. 544657 \_\_\_\_\_**

**Dated: July 1, 20\_\_**

**Due: June 30, 20\_\_**

The County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes, Series A (the “Series A Notes”) will be issued in fully registered form. The Series A 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 Series A Notes. Purchases of beneficial interests in the Series A 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 Series A Notes purchased. The Series A Notes will bear interest from their dated date at the interest rate per annum specified above. Principal of and interest on the Series A 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 Series A Notes. See APPENDIX D – “BOOK-ENTRY ONLY SYSTEM.”

The Series A Notes are being issued to provide moneys to help meet Fiscal Year 2026-27 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 Series A Notes are being issued pursuant to a resolution adopted by the Board of Supervisors of the County on May \_\_, 2026 (the “Resolution”) and a Financing Certificate entitled “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes” (the “Financing Certificate”) to be delivered on the date of issuance of the Series A Notes pursuant to the Resolution. The Series A 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 Series A 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 2026-27 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 SERIES A NOTES – Security for the Notes” herein. The County is not authorized, however, to levy or collect any tax for the repayment of the Series A Notes.

Under certain conditions, the Resolution authorizes the County to issue one or more additional series of tax and revenue anticipation notes (the “Additional Notes”) in Fiscal Year 2026-27 by the adoption of a supplemental financing certificate. See “SUMMARY OF

\* Preliminary, subject to change.

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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.

CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE – Supplemental Financing Certificates and Resolutions” and “– Issuance of Additional Notes.”

**The Series A 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 making an informed investment decision.

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*The Series A 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 Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York. It is expected that the Series A Notes will be available for delivery through the facilities of DTC on or about July 1, 2026.*

**BofA Securities**

**Wells Fargo Corporate & Investment Banking**

**[To Come]**

Dated: \_\_\_\_\_, 2026





# COUNTY OF LOS ANGELES

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## 2026-27 TAX AND REVENUE ANTICIPATION NOTES, SERIES A

### **BOARD OF SUPERVISORS**

Hilda L. Solis  
*First District, Chair*

Holly J. Mitchell  
*Second District*

Lindsey P. Horvath  
*Third District*

Janice Hahn  
*Fourth District*

Kathryn Barger  
*Fifth District*

Edward Yen  
*Executive Officer-Clerk  
Board of Supervisors*

---

### **COUNTY OFFICIALS**

Joseph M. Nicchitta  
*Interim Chief Executive Officer*

Dawyn R. Harrison  
*County Counsel*

Elizabeth Buenrostro Ginsberg  
*Treasurer and Tax Collector*

Oscar Valdez  
*Auditor-Controller*

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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 Series A 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 Series A 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.

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

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Certain public information regarding the County is available on the County’s investor relations website at <https://www.lacountybonds.com/los-angeles-county-investor-relations-ca/i1008>. The information contained on such website or any website referenced in this Official Statement is not part of this Official Statement and is not incorporated in this Official Statement, whether or not the web address for such website appears as an active hyperlink.

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## OFFICIAL STATEMENT

**[\$[Par Amount]\***  
**COUNTY OF LOS ANGELES**  
**2026-27 Tax and Revenue Anticipation Notes,**  
**Series A**

### 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 2026-27 Tax and Revenue Anticipation Notes, Series A (the “Series A Notes”). The Series A 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 Series A Notes will provide moneys to help meet Fiscal Year 2026-27 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 Series A 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 19, 2026 and entitled “Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2026-27 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed \$1,000,000,000” (the “Resolution”). The Series A 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 2026-27 Tax and Revenue Anticipation Notes” (the “Financing Certificate”) to be delivered on the date of issuance of the Series A Notes pursuant to the Resolution. The Series A 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 SERIES A 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 Series A 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 2026-27 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 SERIES A NOTES – Security for the Notes.”

Pursuant to the Resolution, the County is authorized to issue one or more series of tax and revenue anticipation notes (the “Additional Notes,” and collectively with the Series A Notes, the “Notes”) in Fiscal Year 2026-27, upon the execution and delivery by the Treasurer of one or more supplemental financing certificates amending the Financing Certificate (each, a “Supplemental Financing Certificate”) to provide

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\* Preliminary, subject to change.

for the issuance of such Additional Notes. Such Additional Notes, if issued, will be issued in accordance with the terms and conditions set forth in, and subject to the limitations specified in, the Resolution and the Financing Certificate. The aggregate par amount of the Series A Notes and any Additional Notes to be issued by the County shall not exceed \$1,000,000,000, which is the maximum aggregate principal amount for the Notes authorized under the Resolution. See “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE – Supplemental Financing Certificates and Resolutions” and “– Issuance of Additional Notes.” The County does not currently intend to issue Additional Notes under the Resolution.

## **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 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 \$1,000,000,000 aggregate principal amount of its Notes, including the Series A Notes.

In addition to the Series A 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 SERIES A 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 SERIES A NOTES**

### **General**

The Series A Notes will be issued in the aggregate principal amount of \$[Par Amount]\*. The Series A 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 Series A Notes. Purchasers of the Series A Notes will not receive certificates representing their ownership interests in the Series A Notes purchased. See APPENDIX D –

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\* Preliminary, subject to change.

“BOOK-ENTRY ONLY SYSTEM.” Beneficial ownership interests in the Series A Notes may be transferred only in accordance with the rules and procedures of DTC.

The Series A 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 Series A Notes are not subject to redemption prior to their maturity. The Series A Notes will be issued in denominations of \$5,000 and any integral multiple thereof. Interest on the Series A 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 Series A Notes at the office of the Treasurer, who is serving as the Paying Agent with respect to the Series A Notes.

### **Authority for Issuance**

The Series A 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 Series A Notes will provide moneys to help meet Fiscal Year 2026-27 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 Series A Notes in the Pooled Surplus Investments Fund of the County Treasury Pool (the “County Treasury Pool”) until expended. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Financial Summary – County Pooled Surplus Investments” attached hereto.

### **Security for the Notes**

The Notes will be issued under and pursuant to the Resolution and the Financing Certificate and will be secured by Pledged Revenues.

As provided in the Act, in 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 [\_\_\_\_\_, 202\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) [an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3)] to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[Max Par Amount less Series A Notes], plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates;]

(b) [the first Unrestricted Revenues to be received by the County on and after [\_\_\_\_\_, 202\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) [an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3)] to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental

Certificates not to exceed \$[ Max Par Amount less Series A Notes] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clause (a) above, plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates less the amount of any interest on Additional Notes included in any previous period's calculation as described in clause (a) above;]

(c) [the first Unrestricted Revenues to be received by the County on and after [\_\_\_\_\_, 202\_], (1) in an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the principal amount of the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (2) an amount equal to the interest that will accrue on the Series A Notes maturing on \_\_\_\_\_, 202\_, plus (3) to the extent one or more series of Additional Notes are issued prior to [\_\_\_\_\_, 202\_], (A) an amount equal to the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[Max Par Amount less Series A Notes] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clauses (a) and (b) above, plus (B) an amount equal to the interest that will accrue on such Additional Notes indicated in such Supplemental Certificates less the amount of any interest on Additional Notes included in any previous period's calculation as described in clauses (a) and (b) above;] and

(d) [the first Unrestricted Revenues to be received by the County on and after the date or dates indicated in a Supplemental Certificate relating to one or more series of Additional Notes, in an amount, with respect to each date, equal to (1) the percentage of the principal amount of such Additional Notes indicated in one or more Supplemental Certificates not to exceed \$[Max Par Amount less Series A Notes] less the amount of any principal of Additional Notes included in any previous period's calculation as described in clauses (a), (b) and (c) above, plus (B) an amount equal to the interest that will accrue on the Additional Notes indicated in such Supplemental Certificate less the amount of any interest on Additional Notes included in any previous period's calculation as described in clauses (a), (b) and (c) above.]

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 SERIES A 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 (d) 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 Notes Repayment Fund, all amounts and other property on deposit in or credited to the Notes Repayment Fund and all investments thereof, and said property 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. Pledged 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 of the County as the Treasurer or any of the Treasurer's 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 SERIES A 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 Series A Notes) is paid from such revenues.

#### **Available Sources of Payment for the Series A Notes**

The Series A 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 Series A Notes. Pursuant to the Act, no obligations, including the Series A 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 SERIES A 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 2026-27 that will be available for the payment of the principal of and interest on the Series A Notes, including the Pledged Revenues, will be in excess of \$[14] 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 2026-27 will be expended during the course of Fiscal Year 2026-27, and no assurance can be given that any moneys, other than the Pledged Revenues, will be available to pay the Series A 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 SERIES A 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 SERIES A 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 SERIES A NOTES – Security for the Notes." "Unrestricted Revenues," for purposes of the Notes, means "the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2026-27 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 2026-27<sup>(1)</sup>  
(In Thousands)**

<b>SOURCES:</b>	<b>AMOUNT</b>
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: <sup>(2)</sup>	
Net total in excess of Pledged Revenues:	

<sup>(1)</sup> Reflects revenues set forth in the projected cash flow for Fiscal Year 2026-27. Information subject to change to reflect the impact of any revisions to the 2026-27 State Budget Act and other matters. See “THE SERIES A NOTES – State of California Finances” and APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT” attached hereto.

<sup>(2)</sup> Based on \$[Par Amount]\* aggregate principal amount of Series A 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 2026-27” for a detailed summary of the borrowable resources which the County currently projects to be available for Fiscal Year 2026-27. 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 2026-27 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.

\* Preliminary, subject to change.

## 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 2026-27 State Budget (the “2026-27 State Budget”) is set forth below. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information – 2026-27 State Budget.” There can be no assurances that the 2025-26 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 2026-27 State Budget on the County’s financial outlook. If the 2026-27 State Budget includes decreases in revenues to the County or requires increases in 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.”

**Governor’s Proposed 2026-27 State Budget.** The Governor released his proposed Fiscal Year 2026-27 State Budget (the “2026-27 Proposed State Budget”) on January 9, 2026. The 2026-27 Proposed State Budget projects that for Fiscal Year 2026-27 total resources available will be approximately \$280.8 billion (including a prior year balance of approximately \$53.5 billion) and total expenditures will be approximately \$248.3 billion, resulting in a year-end surplus of \$32.5 billion, of which \$28.0 billion would be reserved for the liquidation of encumbrances and \$4.5 billion would be deposited in a special fund for economic uncertainties. In addition, the 2026-27 Proposed State Budget projects \$14.4 billion on deposit in the State’s Rainy Day Fund. The projected balances are inclusive of a planned fiscal year 2024-25 true-up deposit in fiscal year 2026-27 of approximately \$3 billion to the Rainy Day Fund.

**May Revision to the 2026-27 Proposed State Budget.** [To be updated upon the release of the May revision.]

**LAO Overview of the May Revision.** [To be updated upon the release of the May revision.]

**Impact of Fiscal Year 2026-27 State Budget on the County.** [To be updated.]. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Budgetary Information – 2026-27 State Budget” attached hereto.

**Additional Information.** The Governor may release additional details of the proposals or updates to the 2026-27 Proposed State Budget and May Revision. Information about the State Budget is regularly available at various State-maintained websites. The 2026-27 State Budget may be found at the Department of Finance website, [www.dof.ca.gov](http://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](http://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 2025-26 and due June 30, 2026), 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 2025-26 TRANs Repayment Fund therefor, separate from the General Fund, to repay the outstanding 2025-26 Tax and Revenue Anticipation Notes, Series A due on June 30, 2026. 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 Appeal 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 2021-22 through 2025-26” and “County of Los Angeles Borrowable Resources – Fiscal Year 2026-27” for the County’s historical and projected borrowable resources for purposes of intrafund borrowing.

The following tables set forth for Fiscal Years 2021-22 through 2025-26 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 2021-22 THROUGH 2025-26  
(In Thousands)<sup>(1)</sup>**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
<b>July</b>	\$3,186,717	\$3,532,192	\$4,554,113	\$5,538,503	\$
<b>August</b>	2,172,654	3,237,406	4,095,301	5,046,461	
<b>September</b>	1,527,213	2,848,231	3,706,239	4,796,103	
<b>October</b>	842,120	2,487,260	2,686,005	4,180,968	
<b>November</b>	246,304	1,778,473	2,124,984	3,214,753	
<b>December</b>	1,319,034	2,707,459	3,378,328	3,927,945	
<b>January</b>	1,545,696	3,077,444	3,717,922	4,601,000	
<b>February</b>	1,494,942	2,651,622	2,729,866	3,755,299	
<b>March</b>	1,177,052	1,931,765	2,190,831	2,718,865	
<b>April</b>	2,175,408	3,134,261	3,170,206	4,335,838	
<b>May</b>	2,843,143	4,069,262	4,300,424		(2)
<b>June</b>	3,256,071	4,708,560	4,937,094		(2)

(1) Month-end balances include the effects of short-term note issuance net of deposits to the repayment fund for the County's 2025-26 Tax and Revenue Anticipation Notes, Series A. Monthly periods with negative cash balances are covered by borrowable resources available to the County. See "THE SERIES A 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 2021-22 THROUGH 2025-26  
(In Thousands)**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
<b>July</b>	\$2,063,708	\$2,874,085	\$2,519,295	\$2,645,610	\$
<b>August</b>	1,621,008	1,990,464	2,195,686	2,306,796	
<b>September</b>	1,564,800	1,907,879	2,165,280	2,238,478	
<b>October</b>	2,201,240	2,866,612	3,044,680	3,418,739	
<b>November</b>	4,125,084	5,617,787	6,044,713	6,350,849	
<b>December</b>	7,745,735	9,418,470	10,022,460	10,495,388	
<b>January</b>	5,380,354	6,052,190	6,170,298	6,344,838	
<b>February</b>	3,579,695	4,060,667	4,252,158	4,836,749	
<b>March</b>	4,042,570	4,419,615	4,637,798	5,012,621	
<b>April</b>	7,920,792	9,118,627	9,439,885	9,382,105	
<b>May</b>	5,067,413	5,603,536	6,174,225		(1)
<b>June</b>	3,162,739	2,912,297	2,404,821		(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://tc.lacounty.gov/investor-information/>. Such information is not incorporated herein by this reference.

In connection with the issuance of the Series A Notes, the County has prepared the following detailed cash flow projection for Fiscal Year 2026-27 based on the 2026-27 Recommended Budget that was approved by the Board of Supervisors on [Budget Adoption Date] (the “2026-27 Recommended Budget”), and a detailed projection of average daily balances for Fiscal Year 2026-27 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 2026-27. Although the County believes its Fiscal Year 2026-27 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. 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 [33 of 34] years, and has done so by an average of more than \$500 million [County to confirm]. For June 30, 2026, the County projects that its cash balance will be \$[\_\_\_\_\_] million greater than the original May 2025 forecast of \$[\_\_\_\_\_] million, ending the current fiscal year at a positive \$[\_\_\_\_\_]million. There can be no assurances that actual results for Fiscal Year 2026-27 will not materially differ from the projections.

[Two pages of General Fund Cash Flow Analysis FY 2026-27 Projection – To Come]

[Two pages of Borrowable Resources FY 2026-27 Projection – To Come]

## **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 pledges, liens, and security interests 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 2026-27 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 Series A Notes, the County covenants to comply with each applicable requirement of the Code (herein defined) necessary to maintain the exclusion of interest on the Series A 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 Series A 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 Series A Notes**

The Holders of the Series A Notes evidenced by registered certificates may transfer or exchange such Series A 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 Series A Note as the absolute owner of such Series A Note, regardless of whether such Series A 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 Series A 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 Series A Notes as long as the beneficial ownership of the Series A 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 Series A 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, 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 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 SERIES A 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 as theretofore in effect, (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 as theretofore in effect, (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 as theretofore in effect, (v) to provide for the issuance of Additional Notes, and to provide the terms and conditions under which the Additional Notes may be issued, subject to and in accordance with the provisions of the Financing Certificate, (vi) 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 (vii) 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.

### **Issuance of Additional Notes**

Under the Resolution, the County may issue one or more series of Additional Notes from time to time during Fiscal Year 2026-27, and each such series will be dated the date of issuance thereof, will mature on one or more dates not more than thirteen (13) months thereafter, as set forth in a Supplemental Financing Certificate, and will bear interest, payable on such interest payment dates and at their respective maturity dates computed on the basis of a 360-day year composed of twelve 30-day months, at the rate or rates per annum determined at the time of the sale thereof (not to exceed the maximum interest rate permitted by law) as established by the Treasurer and set forth in such Supplemental Financing Certificate. Each series of Additional Notes, if issued, will be in an aggregate principal amount which, when combined with the aggregate principal amount of the Series A Notes and any previously issued series of Additional Notes issued pursuant to the Resolution, is not in excess of \$1,000,000,000. The terms of each series of Additional Notes will be set forth in a Supplemental Financing Certificate (in accordance with the terms and conditions set forth in, and subject to the limitations specified in, the Financing Certificate when executed and delivered). Additional Notes may be issued on a tax-exempt or a taxable basis.

Under the Financing Certificate, the County may issue Additional Notes subject to the following conditions:

1. the County shall not have issued any tax and revenue anticipation notes relating to Fiscal Year 2026-27 except (a) pursuant to the Resolution, the Financing Certificate and any Supplemental Financing Certificate, or (b) notes secured by a pledge of, lien on and security interest in its Unrestricted Revenues that is subordinate in all respects to the pledge of, lien on and security interest in its Unrestricted Revenues granted under the Financing Certificate; the County shall be

in compliance with all agreements and covenants contained in the Resolution, the Financing Certificate and any Supplemental Financing Certificate; and no Event of Default shall have occurred and is continuing under the Financing Certificate;

2. the issuance of the Additional Notes shall have been authorized under and pursuant to the Act and under and pursuant to the Resolution and the Financing Certificate and shall have been provided for by a Supplemental Financing Certificate specifying the following:

- (a) the aggregate principal amount of the Additional Notes, which, when combined with the aggregate principal amount of any previously issued series of Notes, will not exceed \$1,000,000,000;
- (b) the denominations of the Additional Notes, which will be Authorized Denominations;
- (c) the date, the interest rate or rates, and the Maturity Date or dates (not more than thirteen (13) months thereafter) of the Additional Notes; provided that no Additional Notes will have a Maturity Date on or prior to the Maturity Date of the Series A Notes;
- (d) whether such Additional Notes shall be issued as Tax-Exempt or Taxable Notes;
- (e) that such Additional Notes shall not be subject to redemption prior to their respective Maturity Dates; and
- (f) such other provisions that are appropriate or necessary and are not inconsistent with the provisions of the Resolution or the Financing Certificate.

### **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 Series A 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 Series A 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 2026-27 Recommended Budget**

The County's Fiscal Year 2026-27 Recommended Budget was based on a number of assumptions regarding both revenues and expenditures. The Fiscal Year 2026-27 Recommended Budget was approved by the Board of Supervisors on [Budget Adoption Date]. The Fiscal Year 2026-27 Recommended Budget equals approximately \$[\_\_\_\_\_] billion. The County Chief Executive Office presents the Recommended Budget in April each year. The Recommended Budget is the first phase of a three-phase budget process that ends in the adoption of a Final Adopted Budget in September or October of each year. The Fiscal Year 2026-27 Recommended Budget reflects an overall [decrease] of \$[\_\_\_\_\_] billion from Fiscal Year 2025-26 Final Adopted Budget and assumes a General Fund net County cost of \$[\_\_\_\_\_] billion. 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 2026-27 Recommended Budget" attached hereto.

## **Liability Related to AB 218**

[To be updated.]

AB 218, which became effective January 1, 2020, 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. AB 218 also 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.

On April 29, 2025, the Board of Supervisors approved the settlement (the “Group A Settlement”) of approximately 6,800 AB 218 claims (this number has increased to approximately 11,000 claims as of the date of this Official Statement) in the amount of \$4 billion and authorized the Auditor-Controller, Chief Executive Office and County Counsel to effectuate the Group A Settlement. The Group A Settlement is payable over five years beginning in Fiscal Year 2025-26, contingent on, among other things, the validation of judgment obligation bonds to finance certain Group A Settlement amounts (which was completed in [Insert month and date]) and acceptance of the Settlement by claimants. The County anticipates paying for the Group A Settlement using cash from reserve funds, the issuance of judgment obligation bonds, and proposed cuts in departmental budgets. Based on current funding plans (certain of which may not be undertaken), financing of the Group A Settlement is expected to require annual payments totaling hundreds of millions of dollars through 2030 and substantial continuing annual payments through Fiscal Year 2050-51. On October 28, 2025, the Board of Supervisors approved the settlement of approximately 414 AB 218 claims in the amount of up to \$828 million (the “Group B Settlement”). The Group B Settlement is payable over three years beginning in Fiscal Year 2025-26. The County anticipates funding the Group B Settlement payments from a combination of one-time resources, cash on hand, and proceeds of judgment obligation bonds, for which another validation action would be initiated. See APPENDIX A – “COUNTY OF LOS ANGELES INFORMATION STATEMENT – Litigation – AB 218 Cases.”

The County is also expecting approximately 4,600 to 5,000 additional AB 218 claims that are not addressed by the Group A Settlement or the Group B Settlement. These cases are in the early stages of litigation, and the County cannot predict the extent of the liability in such lawsuits, whether plaintiffs will prevail, and if so, how the final court decisions or settlement agreements with respect to such claims may affect the financial status, policies, or operations of the County. The County cannot predict how many additional claims will be received, and when and the extent to which liability may be imposed against the County in any particular year.

The County does not have insurance coverage that would cover losses stemming from AB 218 claims. If available moneys from Fiscal Year 2026-27 are used to pay liabilities relating to AB 218, a lesser amount of Unrestricted Revenues, as defined in this Official Statement, would be available for payment of current expenses and other obligations of the County. Because the Series A Notes are secured by the first Unrestricted Revenues to be received by the County in each period set forth under the caption “THE SERIES A 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 Series A Notes in such period. To the extent judgment obligation bonds are issued, repayment of such borrowings are likely to commence after the maturity date of the Series A Notes. There can be no assurance that the County will determine to use any financing option described herein. 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 Series A Notes.

In addition, the Governor signed Assembly Bill 452 into law in October 2023, amending Section 340.1 of the California Code of Civil Procedure by removing all time limits to file lawsuits for childhood sexual assault prospectively for conduct occurring on or after January 1, 2024. The County cannot predict if, when, and in what form 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 SERIES A 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.

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, Fires 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. Known major faults running through the County include the Chatsworth, the Hollywood, the Newport-Inglewood, the Puente Hills Thrust, the San Andreas, the Santa Monica, the Palos Verdes, the Santa Susana, the Sierra Madre, and the Whittier faults. Additionally, numerous minor faults transect the area. 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. In January 2025, the County experienced multiple wildfires, including the Eaton Fire and the Palisades Fire. Then-existing drought conditions, low humidity, and hurricane-force Santa Ana winds contributed to the magnitude and extent of the fires. The fires destroyed more than 16,000 homes

and structures, burned over 57,000 acres of land, and resulted in the evacuation of over 200,000 people. In addition, the Eaton Fire damaged approximately 80 County facilities, certain of which were insured under a policy with a maximum coverage of \$750 million (subject to a \$1 million deductible). The County is unable to predict the outcome of any insurance claims it may have relating to the County's damaged property.

The County projects that the fires will result in decreases in certain locally generated revenues, including decreases in property tax revenues from the full or partial loss of properties in the affected areas and decreases in the County's local sales tax-based revenues due to the loss and closure of businesses. In addition, the deadline for payment of property taxes, without penalty, was extended by a year (to April 2026) for property owners in fire-impacted areas. County expenditures will also be adversely affected for multiple years as the County provides essential aid to impacted residents and invests in clean-up and rebuilding efforts. Based on current estimates, the County expects to expend over \$800 million in response to the wildfires and to facilitate the recovery effort, with a majority of the costs potentially eligible for reimbursement from the Federal Emergency Management Agency ("FEMA"). The County's experience from prior disasters has been that FEMA does not cover all claimed costs and reimbursements may take years. The effect of the wildfires have been offset by certain other growth factors within the County, resulting in a net preliminarily forecasted 3.0% or \$63 billion increase in the assessment roll for Fiscal Year 2025-26 (relative to Fiscal Year 2024-25 levels) and consistent levels of collections (in excess of 98%) as a percent of property tax levies (prior to accounting for collection of delinquent amounts and penalties).

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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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**

[BC to confirm.] 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 Series A 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 Series A 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 Series A Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series A 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 Series A 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 Series A 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 Series A Notes and the aggregate amount to be paid at maturity of the Series A Notes (the “original issue discount”). For this purpose, the issue price of the Series A Notes is the first price at which a substantial amount of the Series A 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 Series A Notes if original issue discount treatment is elected.

Series A 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 Series A Note’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such holder of the Series A 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 Series A Notes. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series A 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 Series A Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series A 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 Series A Notes may adversely affect the value of, or the tax status of interest on, the Series A 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 Series A 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 Series A Notes is excluded from gross income for federal income tax purposes. Under the Code, if the County spends 100% of the proceeds of the Series A Notes within six months after issuance, there is no requirement that there be a rebate of investment profits in order for interest on the Series A 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 2026-27. 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 Series A Notes proceeds or of rebatable arbitrage profits, if any, was incorrect.

Although Bond Counsel is of the opinion that interest on the Series A 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 Series A Notes may otherwise affect a holder of the Series A 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 Series A Notes or the holder(s) of the Series A 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 Series A 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 Series A Notes. Prospective purchasers of the Series A 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 Series A 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 Series A Notes ends with the issuance of the Series A Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the holders of the Series A Notes regarding the tax-exempt status of the Series A Notes in the event of an audit examination by the IRS. Under current procedures, holders of the Series A 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 Series A 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 Series A Notes, and may cause the County or the holders of the Series A Notes to incur significant expense.

Payments on the Series A 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 Series A Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series A Notes and the gross proceeds of a sale, exchange, retirement or other disposition of the Series A 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 Series A 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 Series A Notes are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. The approving opinion of Bond Counsel will be delivered with the Series A 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, Katten Muchin Rosenman LLP, New York, New York.

### **LEGALITY FOR INVESTMENT IN CALIFORNIA**

Under the California Financial Code, the Series A Notes are legal investments for commercial banks in the State, and under the California Government Code, the Series A 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, 2025, 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 15, 2025.

### **RATINGS**

Moody’s, S&P and Fitch have given the Series A Notes the ratings of “\_\_\_\_,” “\_\_\_\_” and “\_\_\_\_,” respectively. Certain information was supplied by the County to the rating agencies to be considered in evaluating the Series A Notes. Such ratings reflect only the views of the rating agencies, and are not a recommendation to buy, sell or hold any of the Series A 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 Series A Notes.

### **LITIGATION**

To the best knowledge of the County, no litigation is pending or threatened concerning the validity of the Series A 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 Series A Notes.

## **MUNICIPAL ADVISOR**

Omnicap Group LLC has served as Municipal Advisor to the County in connection with the issuance of the Series A 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 Series A 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 Series A 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.

[To be updated.] The County timely filed the annual report for Fiscal Year 2023-24 for the Los Angeles County Public Works Financing Authority Lease Revenue Bonds, 2024 Series H, but did not link the annual report to all applicable CUSIPs of the issue. The County has since linked the annual report to all applicable CUSIPs.

## **UNDERWRITING**

The Series A Notes are being purchased for reoffering by BofA Securities, Inc., 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 Series A Notes at a purchase price of \$ \_\_\_\_\_ (representing the principal amount of the Series A 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 Series A 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 Series A 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:

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”). As part of this arrangement, the Underwriter may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, the Underwriter may compensate Merrill as a dealer for their selling efforts with respect to the Series A Notes.

Wells Fargo Corporate & Investment Banking is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable

department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), an underwriter of the Series A Notes, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series A Notes. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series A Notes with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the [Notes]. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

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 Series A Notes. Quotations from and summaries and explanations of the Series A 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 Series 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

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**APPENDIX A**

**COUNTY OF LOS ANGELES INFORMATION STATEMENT**

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# THE COUNTY OF LOS ANGELES

## Information Statement

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### 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 of California (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 the largest county in the nation, with a population greater 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.

On November 5, 2024, voters approved a ballot measure authorizing a proposed amendment to the County Charter that will result in a significant and historical change to the governance structure of the County. The key provisions of the ballot measure include expanding the Board of Supervisors from five members to nine members following the 2030 redistricting process; establishing an office of the County Executive that would be elected directly by voters at the general election in 2028 and every four years thereafter, assume all executive and administrative powers and duties of the Board of Supervisors except for administrative oversight of the Clerk of the Board and the newly established position of County Legislative Analyst; and establishing an independent Ethics Commission by 2026 that will be charged with, among other things, investigating allegations of misconduct by County officials and monitoring and enforcing laws in coordination with other agencies related to governmental ethics.

### 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 12,561 inmates in 2024. This number includes 103 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.

### **Gas Company Tower**

In December 2024, the County purchased the Gas Company Tower building located in downtown Los Angeles at a cost of \$201.958 million. The Gas Company Tower is a 1.5 million square foot, 54-story office building constructed in 1991 as a LEED Gold-certified facility featuring energy efficient design and modern building systems. The purchase of the Gas Company Tower building will enable the County to achieve significant cost savings by relocating various non-public facing departments and operations from existing leased facilities in downtown Los Angeles where the County currently pays high premium rental and parking rates, as well as from other older and distressed County owned facilities in the metropolitan Los Angeles area. The County initially funded the purchase of the Gas Company Tower using cash resources and issued \$125.294 million of taxable commercial paper notes in June 2025 as the initial financing vehicle for the transaction and partial reimbursement for the cash expenditure. The taxable commercial paper notes will eventually be refinanced through the issuance of long-term lease revenue bonds as the County completes the relocation process for the affected County departments and operations. Based on current projections, the County expects to complete the relocation process and fully occupy the Gas Company Tower by Fiscal Year 2032-33.

### **EMPLOYEE RELATIONS/COLLECTIVE BARGAINING**

The County has a total of approximately 116,000 budgeted positions with 86.8% of the workforce represented by sixty-three (63) 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 56.9% of County employees; the Coalition of County Unions ("CCU"), which includes thirty-six (36) collective bargaining units representing 28.5% of County employees; and the Independent Unions (the "Independent Unions"), which encompass three (3) collective bargaining units representing 1.4% 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-three (63) individual collective bargaining agreements for wages and salaries and an additional two (2) fringe benefit agreements with SEIU and the CCU. The Independent Unions generally receive benefits in line with those of non-represented employees.

In December 2022, the County of Los Angeles adopted successor Memoranda of Understanding (MOUs) with its largest union, Service Employees International Union (SEIU), Local 721, for the 2022–2025 term. The agreement provided annual cost of living adjustments (COLAs) of 5.5%, 3.25%, and 3.25%, respectively. In the months that followed, the County reached agreements with most member unions of the Coalition of County Unions (CCU), as well as its Independent Unions, aligning salary adjustments with the SEIU pattern. In June 2024, the County concluded negotiations with the final CCU affiliate, the Union of American Physicians and Dentists, reaching a salary agreement consistent with other bargaining units and completing the 2022–2025 bargaining cycle.

In November 2024, the County initiated negotiations for successor agreements with SEIU. From April 28 to April 30, 2025, SEIU staged a temporary strike to protest the lack of progress on new labor agreements with its collective bargaining units. Negotiations resumed immediately thereafter, and on June 17, 2025, the County reached a tentative agreement with SEIU on salaries and fringe benefits. The tentative agreement, if ratified, would run from July 1, 2025 through June 30, 2028 and includes a \$5,000 one-time ratification bonus; a 2% COLA adjustment and \$2,000 bonus effective October 1, 2026; and a 5% COLA adjustment, effective October 1, 2027. The previous labor agreements with SEIU expired on March 31, 2025.

The County is currently in the process of negotiating final agreements with all of the collective bargaining units represented by SEIU, the CCU and the Independent Unions, which are expected to be finalized in 2026.

## **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 public 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, 2025 was 198,437, consisting of 99,775 active members, 76,694 retired members and beneficiaries and 21,968 vested former members. Of the 99,775 active members, 87,599 are general members in General Plans A through G, and 12,176 are safety members in Public Safety Plans A through C.

Of the 76,694 retired members, 61,743 are general members in General Plans A through G, and 14,951 are safety members in Public Safety Plans A, B and C. Beginning in 1977, both the General Plan A and Public 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, 2025, approximately 34% of the 87,599 total active general members were enrolled in General Plan D, with 53% enrolled in Plan G and 13% enrolled in General Plans A, B, C and E. Of the 12,176 active safety plan members, 53% were enrolled in Safety Plan B and 47% enrolled in Safety Plan C. There are no current active members enrolled in Safety Plan A. 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. Based on the June 30, 2025 Actuarial Valuation (the "2025 Actuarial Valuation"), the total employer contribution rate for Fiscal Year 2025-26 for new employees hired on and after January 1, 2013 is 23.85% for General Plan G and 29.99% for Public Safety Plan C. The new employer contribution rates for General Plan G and Public Safety Plan C are lower than the comparative rates of 24.38% and 33.78% for General Plan D and Public Safety Plan B, respectively. 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**

For the 2024 Actuarial Valuation, LACERA reported a rate of return on Retirement Fund assets of 9.1%, which was higher than the 7.0% assumed rate of return. With the five-year smoothing process, the actuarial value of Retirement Fund assets increased by \$4.249 billion or 5.9% from \$72.415 billion to \$76.664 billion as of June 30, 2024. The 2024 Actuarial Valuation reported that the AAL increased by \$4.152 billion to \$94.803 billion, which represents a 4.6% increase from June 30, 2023. As a result, the UAAL decreased by \$96.5 million to \$18.139 billion and the Funded Ratio increased from 79.9% to 80.9% as of June 30, 2024.

Based on the results of the 2024 Actuarial Valuation, which provided the basis for establishing the contribution rates effective July 1, 2025, the County's required contribution rate decreased from 25.88% to 25.61% of covered payroll in Fiscal Year 2025-26. The components of the 0.27% net decrease in the employer contribution rate include 0.65% of cost decreases from the actuarial recognition of investment gains, lower than assumed payroll growth, changes in member demographics and lower than assumed contributions, which were partially offset by 0.38% of cost increases related to higher than assumed salary growth and various other factors.

The 2024 Actuarial Valuation does not include \$1.138 billion 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 82.1% as of June 30, 2024, and the required County contribution rate would be 24.80% for Fiscal Year 2025-26.

For the 2025 Actuarial Valuation, LACERA reported a rate of return on Retirement Fund assets of 9.7%, which was higher than the 7.0% assumed rate of return and exceed the 9.1% rate of return in Fiscal Year 2023-24. With the five-year smoothing process, the actuarial value of Retirement Fund assets

increased by \$5.1 billion or 7.0% from \$76.664 billion to \$81.764 billion as of June 30, 2025. The 2025 Actuarial Valuation reported an increase in the AAL of \$4.904 billion to \$99.707 billion, which represents a 5.0% increase from June 30, 2024. As a result, the UAAL decreased by \$196.3 million to \$17.943 billion and the Funded Ratio increased from 80.9% to 82.0% as of June 30, 2025.

Based on the results of the 2025 Actuarial Valuation, which provides the basis for establishing the contribution rates effective July 1, 2026, the County's required contribution rate will increase from 25.61% to 25.70% of covered payroll in Fiscal Year 2026-27. The components of the 0.09% net increase in the employer contribution rate include 1.07% of cost increases from changes in actuarial assumptions and methods, higher than assumed salary increases and changes in active member demographics, which were partially offset by 0.98% in cost decreases from the actuarial recognition of investment gains, greater than assumed payroll increases and various other factors.

The 2025 Actuarial Valuation does not include \$2.955 billion 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 85.0% as of June 30, 2025, and the required County contribution rate would be 23.69% for Fiscal Year 2026-27.

For the eight months ended February 28, 2026, LACERA reported a net gain on Retirement Fund assets of 9.3%, which is higher than 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 2022-23, 2023-24 and 2024-25, the County's total contributions to the Retirement Fund were \$2.243 billion, \$2.436 billion, and \$2.593 billion, respectively. For Fiscal Years 2025-26 and 2026-27, the County's retirement contribution payments to LACERA are estimated to be \$2.785 billion and \$2.746 billion, respectively.

A summary of actual and projected County pension payments to LACERA for the eight-year period ending June 30, 2026 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 is 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, 2025, the balance of the STAR Program Reserve was \$607.0 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, 2025, the County reported a Net Pension Liability of \$12.983 billion, which represents a \$1.091 billion decrease from the \$14.074 billion Net Pension Liability reported as of June 30, 2024. The June 30, 2025 Net Pension Liability was calculated based on the 2023 Actuarial Valuation, projected forward to the measurement date.

### **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 actuarial determined contribution ("ADC") 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 \$372.2 million, \$441.5 million, \$503.4 and \$571.2 million to the OPEB Trust in Fiscal Years 2021-22, 2022-23, 2023-24 and 2024-25, respectively. For Fiscal Years 2025-26 and 2026-27, the County is projecting contributions to the OPEB Trust in the amount of \$646.8 million and \$723.1 million, respectively. Based on current actuarial assumptions for the OPEB Pre-funding Plan, the OPEB ADC will be fully funded in Fiscal Year 2026-27.

As of February 28, 2026, the balance of the OPEB Trust was \$5.895 billion. For the eight months ended February 28, 2026, 2025, LACERA reported a net gain on OPEB Trust Fund assets of 10.5%.

### **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, 2025, the County reported a Net OPEB Liability of \$22.560 billion, which represented a \$1.354 billion or 6.0% decrease from the \$23.914 billion Net OPEB Liability reported as of June 30, 2024. The June 30, 2025 Net OPEB Liability was calculated based on the July 1, 2023 OPEB Actuarial Valuation, projected forward to the measurement date. 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 2021-22, 2022-23, 2023-24 and 2024-25, the total pay as you go payments from the County to LACERA for retiree health care benefits were \$692.6 million, \$713.0 million, \$760.6 million and \$832.5 million, respectively. For Fiscal Years 2025-26 and 2026-27, the pay as you go contributions to LACERA for OPEB are estimated to be \$892.6 million and \$1.010 billion, respectively.

## 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 their 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 2021-22, 2022-23, 2023-24 and 2024-25, the County made total DBP payments of \$39.9 million, \$40.6 million, \$43.6 million and \$40.2 million, respectively. For Fiscal Years 2025-26 and 2026-27, the County is estimating total DBP payments in the amount of \$42.2 million and \$45.7 million, respectively. As of June 30, 2025, the County's total Net OPEB Liability of \$23.774 billion included \$22.560 billion for retiree healthcare and \$1.214 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, 2023, projected forward to the measurement date.

## LITIGATION

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, 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 (*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. AB 218 also revived a three-year window to file certain claims that were previously barred and retroactively exempted those claims from the Government Claims Act's procedural requirements. The majority of the claims received by the County to date allege the claimants were sexually assaulted while in Department of Children and Family Services (“DCFS”)

and/or Probation Department (“Probation”) placements from 1959 to 2022. 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 was a temporary housing facility that closed in 2003, and various probation camps and halls.

On April 29, 2025, the Board of Supervisors approved the settlement (the “Group A Settlement”) of approximately 6,800 AB 218 claims (this number has increased to approximately 11,000 claims as of the date of this Official Statement) in the amount of \$4 billion and authorized the Auditor-Controller, Chief Executive Office and County Counsel to effectuate the Group A Settlement. The Group A Settlement is payable over five years beginning in Fiscal Year 2025-26, contingent on, among other things, the validation of judgment obligation bonds to finance certain Group A Settlement amounts (which was completed in December 2025) and acceptance of the Settlement by claimants. The County anticipates paying for the Group A Settlement using cash from reserve funds, the issuance of judgment obligation bonds, and proposed cuts in departmental budgets. Based on current funding plans (certain of which may not be undertaken), financing of the Group A Settlement is expected to require annual payments totaling hundreds of millions of dollars through 2030 and substantial continuing annual payments through Fiscal Year 2050-51. On October 28, 2025, the Board of Supervisors approved the settlement of approximately 414 AB 218 claims in the amount of up to \$828 million (the “Group B Settlement”). The Group B Settlement is payable over three years beginning in Fiscal Year 2025-26. The County anticipates funding the Group B Settlement payments from a combination of one-time resources, cash on hand, and proceeds of judgment obligation bonds, for which another validation action would be initiated.

The County is also expecting approximately 4,600 to 5,000 additional AB 218 claims that are not addressed by the Group A Settlement or the Group B Settlement. These cases are in the early stages of litigation, and the County cannot predict the extent of the liability in such lawsuits, whether plaintiffs will prevail, and if so, how the final court decisions or settlement agreements with respect to such claims may affect the financial status, policies, or operations of the County. The County cannot predict how many additional claims will be received, and when and the extent to which liability may be imposed against the County in any particular year.

As indicated above, there may be timely claims filed arising from abuse occurring before January 1, 2024, if the plaintiff is under 40 years of age or within five years of the date the plaintiff discovers or reasonably should have discovered that psychological injury or illness occurring after the age of majority was caused by the sexual assault, whichever is later.

Additionally, Assembly Bill 452 (“AB 452”) was enacted in October 2023, and removed all time limits to file lawsuits for childhood sexual assault for conduct occurring on or after January 1, 2024. The County cannot predict how many additional claims could arise against the County as a result of AB 218, AB 452 or other enacted legislation, or whether, when, or the extent to which any liability could be imposed against the County in any particular year with respect to any such claims.

Child abuse reporting laws have evolved significantly over the past several decades. The Child Abuse and Neglect Reporting Act was enacted in California in 1980 to provide definitions and procedures for mandated reporting of child abuse. The County's policies have continued to evolve since then consistent with laws and best practices. DCFS currently maintains policies

including mandatory training regarding child abuse and neglect reporting, and sexual harassment, as well as protocols and procedures for reporting and investigating allegations of employee misconduct. Probation has issued directives consistent with the Prison Rape Elimination Act, a federal law enacted in 2003 to address sexual abuse in detention facilities, as well as changes to California law. County departments including DCFS and Probation offer employees a variety of online and in-person training courses and other relevant resources, and regularly review their policies, procedures, and protocols. The County offers training and resources to all County employees to ensure consistent awareness of standards for reporting child abuse and neglect, such as mandated training on commercial sexual exploitation of children. Additionally, all County employees are subject to fingerprint-based background checks prior to employment. The County continues to explore and evolve its training and education practices to minimize child abuse.

### Labor and Employment 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, after another mutual agreement to continue the prior hearing date, the court will hear plaintiffs' motion to confirm the arbitration award on February 17, 2026. Based on preliminary estimates, the County may face a potential liability of \$15 million.

In March 2024, a class action lawsuit was filed (*Raul Gutierrez v. Los Angeles County Probation Department*) on behalf of disabled deputy probation officers alleging that they were intentionally denied reasonable accommodation for their injuries and work restrictions in violation of the California Fair Employment and Housing Act when they were ordered to work in the Probation Department's juvenile detention facilities to address staffing shortages. In July and August 2024, two other multi-plaintiff cases (*Adrian Butler, et al. v. County of Los Angeles*; *Shirrane Franklin, et al. v. County of Los Angeles*) were filed against the County making similar allegations on behalf of similarly situated plaintiffs. These cases are in the early stages and the County is unable to determine the potential liability at this time. No trial date has been set in these matters.

### Public Safety Cases

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. Plaintiffs allege civil rights violations based on excessive force/false arrest and improper use of "less-lethal force" by Sheriff's Department deputies. On April 3, 2024, the court granted the plaintiffs' motion for class certification and issued an order certifying three classes of plaintiffs: (1) injunctive relief, (2) arrest, and (3) direct force. The court also ordered the parties to meet and confer regarding a plan for the provision of class notice to class members. On April 17, 2024, the County filed a petition with the Ninth Circuit Court of Appeals ("Ninth Circuit") for permission to appeal the order granting certification of plaintiffs' classes on the grounds that the certification order illustrates the unsettled and fundamental issue of law relating to mass protest-damages class actions, and similar issues are on appeal to the Ninth Circuit and under submission in another lawsuit (*Black Lives Matter Los Angeles, et al. v. City of Los Angeles*) ("BLM") that involves a similar certification order relating to 2020 mass protests in the City of Los Angeles. On

June 21, 2024, the Ninth Circuit granted the County's petition for permission to appeal. On September 5, 2024, the Ninth Circuit vacated the district court's class certification order in *BLM* and remanded the case to the district court with instructions for the court to fully address the class certification requirement under federal law. While the briefing was pending in this case, on January 23, 2025, the Ninth Circuit granted the plaintiffs' motion to remand the County's class certification appeal back to the district court for further proceedings consistent with its decision in *BLM*. On remand, the district court set deadlines for the plaintiffs to conduct limited discovery, file an amended complaint, and attend to a class certification motion hearing. The matter is currently set for trial on September 1, 2026.

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 included all current and former youth detainees born on or after February 15, 2002. The plaintiff amended his complaint to allege the same conditions for youth housed at the County's juvenile camp facilities. The plaintiff contended the class allegations extend back to approximately 2014. If the class was certified, the County estimated it would consist of approximately 7,000+ members. However, before any class was certified, this matter was settled through mediation for \$30 million, and approved by the Board of Supervisors in December 2024. The County projects initial payments to be made in Fiscal Year 2025-26.

On April 3, 2024, the City of Lancaster filed a putative class action lawsuit (*City of Lancaster v. Los Angeles County Sheriff's Department, et al.*) against the County on behalf of all 42 contract cities ("Contract Cities") that contract with the Sheriff's Department for general law enforcement services. The lawsuit alleges that the County has made an illegal profit of more than \$10 million by overcharging the Contract Cities in violation of California Government Code section 51350, which permits the County to charge a city only those costs that are actually incurred in providing contracted services. The lawsuit alleges that due to staffing issues, the Sheriff's Department has not been able to assign as many deputies to the City of Lancaster as the city has paid for, and instead has utilized existing deputies working overtime to make up for it. The plaintiff claims that the County profits by charging Contract Cities the full cost of services even though the County incurs less costs by utilizing existing personnel working overtime rather than filling the vacant deputy sheriff positions. The court sustained the County's demurrer with leave to amend, and on June 9, 2025, the plaintiff filed its first amended complaint. The County has until August 1, 2025 to respond to the first amended complaint. The case is in discovery and no trial date has been set.

On October 13, 2022, a lawsuit was filed (*Alexander Torres v. County of Los Angeles*) alleging that Sheriff's Department detectives failed to disclose exculpatory and impeachment evidence resulting in the plaintiff's wrongful conviction for homicide and being incarcerated for over 20 years. The plaintiff's conviction was set aside in October 2021 due to evidence of a third party's culpability for the crime, and the plaintiff was subsequently found to be factually innocent in April 2022. The plaintiff sought damages for alleged violations of his civil rights, intentional infliction of emotional distress, and for malicious prosecution. In September 2024, a tentative settlement of \$14 million was reached, and on July 15, 2025, the Board of Supervisors approved the settlement.

On March 1, 2024, Juan Marshall Rayford and Dupree Antoine Glass filed a lawsuit (*Juan Rayford, et al. v. County of Los Angeles, et al.*) alleging that Sheriff's Department detectives

falsified evidence and failed to disclose exculpatory and impeachment evidence resulting in their wrongful conviction and 17-year incarceration. On June 16, 2020, the Court of Appeal granted plaintiffs' writ of habeas corpus and vacated their conviction of 11 counts of attempted murder. The plaintiffs were found factually innocent in April 2023. The plaintiffs seek damages for alleged violations of their civil rights, negligence, and for malicious prosecution. The matter is currently set for trial in February 2026 and the parties are in the early stages of discovery. However, the parties have agreed to attend private mediation which will be scheduled following the completion of initial discovery. Given these uncertainties, the potential liability for the County is unknown at this time. Several other lawsuits have been filed based on similar allegations against the Sheriff's Department (*Martis Childs v. County of Los Angeles, et al.*; *Kenji Howard v. County of Los Angeles, et al.*; *Jofama and Jocelyne Coleman v. Los Angeles Sheriff's Department, et al.*; *Abel Soto v. Los Angeles Sheriff's Department, et al.*). *Childs* is currently set for trial in June 2026; *Howard* is currently set for trial in November 2025; and *Coleman* and *Soto* are currently set for trial in September 2026.

On March 20, 2024, a lawsuit was filed (*Antonelli Haggerty v. Los Angeles Public Defender's Office, et al.*) alleging that the Los Angeles County Public Defender's Office violated the plaintiff's civil rights by failing to bring the plaintiff's petition to trial for civil commitment as a sexually violent predator, resulting in the plaintiff's commitment to a state hospital for over 10 years. In 2023, the plaintiff was released from his commitment without a trial, when two separate evaluators found him not to be a sexually violent predator. The plaintiff seeks damages for alleged violations of his civil rights. This case is in its early pleading stages and the County is unable to determine the potential liability at this time. No trial date has been set.

On February 4, 2025, a lawsuit was filed (*Ronnie Velazquez, et al. v. City of Downey, et al.*) by two plaintiffs alleging that Downey Police Department detectives orchestrated a witness' false identification of the plaintiffs as being at the scene of a murder. The plaintiffs claim that the misconduct of the detectives and subsequent misconduct by the Los Angeles County District Attorney's Office resulted in the plaintiffs' wrongful conviction for homicide and wrongful incarceration for 23 years and 16 years, respectively. In 2024, the plaintiffs' convictions were vacated, and they were found factually innocent. The plaintiffs seek damages for alleged violations of their federal and state civil rights. This case is in its early pleading stages, and the potential liability for the County is unknown at this time. The matter is currently set for trial in October 2026.

In December 2023, closed circuit video inside Los Padrinos Juvenile Hall surfaced showing several youth engaging in a 'gladiator' style fighting event. At present, three lawsuits and eight tort claims have been filed. As a result of this video, Probation Department management opened an internal investigation and referred the matter for a criminal investigation that was ultimately handled by the California Attorney General's Office. In March 2025, the Attorney General's Office indicted 30 current and former Probation Department employees alleging 69 felony counts involving approximately 143 youths between July 1, 2023, and December 31, 2023. The criminal prosecution remains active. One lawsuit has settled for \$2.67 million and the settlement was paid in June 2025. Two additional lawsuits are in the early stages of discovery. The County anticipates that additional lawsuits may be filed. The potential liability for the remaining cases and claims is unknown at this time.

In April of 2023, a potential class action lawsuit was filed (*Gregory Johnson et al. v. County of Los Angeles* and related

case *Jacqueline Murillo Castro v. County of Los Angeles*) alleging violations of Article XIIC of the California Constitution and Government Code section 50030 based on the County's contracts with companies that provide inmate telephone and commissary/vending machine services to the County jails. The Government Code claim was subsequently dismissed, leaving only the Constitutional claim. That claim is based on the theory that commissions paid by the contracting companies constitute "taxes" for which electorate approval is constitutionally required. Discovery is ongoing and the plaintiffs have yet to file a motion for class certification. The Court has not yet set a trial date on this matter. Additionally, the plaintiffs' counsel filed parallel lawsuits against nine other counties in California.

On June 5, 2025, a lawsuit was filed (*Stephen Patterson v. County of Los Angeles, et al.*) alleging that the Sheriff's Department failed to provide exculpatory ballistics evidence to defense counsel or the prosecutor prior to the plaintiff's criminal jury trial. The plaintiff claims that the misconduct of the Sheriff's Department resulted in the plaintiff's wrongful conviction for homicide and wrongful incarceration for 18 years. In 2024, the court granted the plaintiff's writ of habeas corpus and motion for a finding of factual innocence. The plaintiff seeks damages for alleged violations of their federal and state civil rights. This case is in its early pleading stages, and the potential liability for the County is currently unknown.

#### 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) 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 estimates its liability could be \$20 million.

In December 2022, *A.F., a minor, et al. v. Gabriela Casarez et al.* was filed, arising out of the child-abuse related near fatality of a four-year-old boy in October 2021 while in foster care. The plaintiff, by and through his father as guardian ad litem, has sued the former foster parents, the County, and four DCFS social workers, alleging that the plaintiff suffered repeated physical and emotional abuse at the hands of his foster mother during the five months he and his younger brother were placed in the home. The plaintiff alleges that this repeated abuse culminated in a final incident of his severe head trauma that required life-saving surgery and caused permanent injury. The plaintiff alleges, *inter alia*, that DCFS social workers failed to follow up appropriately on prior reports of suspicious injuries and that DCFS failed to adequately vet and train the foster parents. This incident attracted significant media attention, and in January 2022 the Office of Child Protection issued the first of two reports noting deficiencies in DCFS's handling of the case. The County defendants have filed an answer to the second amended complaint. The matter is set for trial in January 2027 and discovery is underway. Plaintiff's counsel has declined to participate in early mediation pending further discovery. Potential liability is unknown but is likely to be significant.

In July 2023, a wrongful death lawsuit (*Sogui Godinez v. County of Los Angeles, et al.*) was filed arising out of the child-abuse related death of a five-year old child. The plaintiff is the child's

mother, who alleges negligence and negligent hiring, supervision, and/or retention of employees against the County and one DCFS social worker, claiming that the child died at the hands of his father due to the County's failure to abide by its mandatory duty to appropriately investigate reports made by the plaintiff to the DCFS Child Protection Hotline. The child's death attracted media attention from various news outlets. Trial is currently set for March 2026 and discovery is in the early phases. The potential liability is unknown at this time.

In January 2025, *Montise Bulley, et al. v. County of Los Angeles, et al.* was filed, arising out of the death of one-year old Justin Bulley from an accidental fentanyl overdose on February 18, 2024. The toddler had been in the custody of DCFS but was on an approved monitored visit with his mother when he died. The lawsuit alleges, among other things, that DCFS failed to reasonably investigate and supervise the visitation monitor. The incident attracted media attention. The lawsuit seeks unspecified damages, but a claim filed in June 2024 alleged \$65 million in damages. The County expects any actual liability to be less. The County has filed an answer to the complaint. No trial date has been set.

### 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. The County has fulfilled its financial obligation under the agreement, and no additional payments are due. The agreement expired on June 30, 2025.

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 with a trial date of November 6, 2023. On September 25, 2023, the parties filed a second addendum to the County

settlement agreement with the court, which increased the number of mental health and substance use disorder beds in the settlement, increasing the settlement value to approximately \$1.24 billion. The second addendum also added a provision that the parties agreed to the court's recommendation of a monitor and increased the prior attorneys' fees and costs from \$2 million to \$2.4 million. On September 28, 2023, the court approved the settlement with two additional terms – all future provider bills and invoices are to be public documents and the County's monitor must work under the court's Special Master for the first year with their compensation being equal. On September 29, 2023, the court issued an order dismissing the plaintiffs' claims against the County. The settlement agreement became effective September 29, 2023, and terminates on June 30, 2027. In addition, on September 19, 2023, the court granted the County's motion for an order to show cause regarding the dismissal of the claims filed by one plaintiff. The plaintiff did not respond to the court's order, and his time to do so has ended.

The County has consistently met or exceeded its obligations in the County's settlement agreement, as demonstrated by the quarterly status reports filed since January 2024. Also, in response to the court's request, the County has launched a website to publicly post provider invoices, which is regularly updated to enhance transparency. In April/May 2024, the court ordered the County and the City to enter into a Memorandum of Understanding ("MOU") concerning funding, coordination, and resource provision for people experiencing homelessness. The parties complied and signed the MOU. However, the court does not retain oversight or enforcement authority over it. In October 2024, at the court's urging, the County agreed to provide information and data regarding services and health and mental health programs being provided by the County to the City's homelessness programs as part of an independent audit of the City and to pay a \$180,000 cost related to this scope of work. In November 2024, again at the court's urging, the County agreed to expand the audit scope to include a review of contract documents, site visits, and stakeholder interviews, adding an additional \$440,000 in costs. The draft assessment report was released in early March 2025, and a hearing was held to discuss the report the same month. While much of the discussion focused on the City and the Los Angeles Homeless Services Authority, the court expressed frustration with the ongoing homelessness crisis and the lack of coordination efforts among the parties. The final assessment report was released and discussed at a mid-May hearing. The court held a multi-day evidentiary hearing starting May 27, 2025 to address LA Alliance's motions arguing that the City had failed to comply with the terms of its settlement agreement. On June 24, 2025, the judge concluded that the City had breached the terms of its settlement agreement with LA Alliance, and ordered stronger oversight by a third-party monitor of the City's data. The judge's ruling did not impose any additional responsibilities on the County. The County expects the court will continue to closely monitor the County and City's efforts to combat homelessness.

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 (together, the "Defendants"), 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 the Defendant's interlocutory appeal was denied in December 2023. The Defendants filed petitions for review to the California Supreme Court which were denied in February

2024. The plaintiffs' complaint alleges rent losses in excess of \$11 million and asserts they are entitled to compensation exceeding \$50 million. However, the County expects its apportionment of liability, if any, to be substantially less.

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. A third lawsuit based on the same allegations, was filed in 2023 applicable to the 2022 tax year, and a fourth lawsuit was filed in 2024 applicable to the 2023 tax year. SCE is seeking a reduction of approximately \$6-7 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 \$98 million, of which the County and County-controlled taxing entities would be responsible for refunding approximately \$37 million.

The County currently operates multiple juvenile facilities, including Los Padrinos Juvenile Hall ("Los Padrinos"), which houses predisposition and post-disposition youth waiting to transfer to placement, camp, or Secured Youth Treatment Facility ("SYTF"), which houses post-disposition youth charged with certain types of statutory crimes. On February 15, 2024, the Board of State and Community Corrections ("BSCC"), which provides services to county adult and juvenile systems, including inspections of jails and juvenile detention facilities, determined that Los Padrinos and SYTF were unsuitable for the confinement of youth. Subsequently, on April 11, 2024, the BSCC determined that Los Padrinos and SYTF had addressed the areas of noncompliance and found them suitable. The BSCC conditioned their approval on no less than monthly targeted inspections at both facilities to audit staffing, room confinement, and other areas to be determined by BSCC field staff. BSCC further conditioned its approval of Los Padrinos on required bi-annual comprehensive inspections. The current inspections have only been "targeted" by the BSCC. However, in its July 2024 inspection of Los Padrinos, the BSCC found Los Padrinos failed to meet required staffing levels. A submitted corrective action plan was not accepted and the BSCC found Los Padrinos unsuitable to house youth after December 12, 2024. An administrative appeal was filed and denied in April 2025. A writ of mandamus was filed in the Superior Court challenging the denial of administrative appeal. That matter remains pending. On December 13, 2024, Juvenile Justice Division Supervising Judge Miguel Espinoza issued an order to show cause regarding Los Padrinos and has since held several hearings. On May 16, 2025, the judge approved the Probation Department's plan to relocate more than 100 youths from Los Padrinos, to be implemented in phases over a 30-day period in close coordination with the BSCC. The use of Barry J. Nidorf Juvenile Hall ("Nidorf") to house pre-disposition youth is part of this relocation plan. However, the BSCC inspected Nidorf between June 24 and July 1, 2025, and determined there were items of noncompliance which must be remedied before Nidorf is suitable to be used as a juvenile hall. The Probation Department has until September 1, 2025 to submit an approved corrective action plan to the BSCC. The suitability of Los Padrinos has garnered significant media attention. BSCC suitability findings could have significant legal implications on the current California Department of Justice settlement agreement with the Probation Department ("AG Settlement"). On July 24, 2025, the California Attorney General ("AG") filed a motion requesting the court to place the County's juvenile halls

under receivership for failure to comply with the terms of the AG Settlement. The proposed receivership, if granted with the powers requested by the AG, would result in the transfer of all powers currently vested in the County with respect to all aspects of the operation, administration, and management of the juvenile halls to the court-appointed receiver. This would include the power to determine the Probation Department's annual budget for the County's juvenile halls. The proposed order would apply to two juvenile hall facilities, Los Padrinos and Nidorf, but could include other facilities that house pre-disposition youth. In addition to establishing a receivership, the AG also asked the court to order the County to deposit \$500,000 into a compensation fund for youth harmed while in the County's care, and to delegate authority to the receiver to disperse money from that fund. The County intends to file a brief in response to the AG's motion, which is due by August 25, 2025. A hearing on this matter has been set for September 16, 2025. Due to the substantial uncertainty surrounding the outcome of the hearing, the County is unable to assess the fiscal impact of the AG's proposed receivership at this time.

In November 2023, a lawsuit was filed (*BMIF/BSLF II Rancho Malibu Limited Partnership v. County of Los Angeles*), regarding the plaintiff's expired tentative tract map ("Map"), originally approved by the County in June 1998 for a subdivision project for 46 single-family lots, one open space lot, one sewage treatment lot, and one road lot and related features (collectively, the "Project"). The County imposed a condition of approval upon the Map requiring the development and construction of a wastewater treatment plant to serve the proposed residential subdivision. The open space lot was dedicated to the County in 2007. The Map life was extended multiple times pursuant to state and local law and the County determined in August 2017 that the Map would expire on October 25, 2019. The plaintiff faced difficulties securing approval from the State for the wastewater treatment plant, and in 2018 applied to the County to amend the Map by reducing the number of residential dwelling units to six, with individual on-site wastewater treatment. The plaintiff filed a lawsuit against the County on October 25, 2019 seeking declaratory relief related to the Project. Both parties discussed settlement and entered and filed a stipulation in which the lawsuit would be dismissed without prejudice, and the County agreed to toll for a period to resolve the lawsuit. However, settlement negotiations were not successful, and the plaintiff filed this lawsuit in November 2023 seeking, among other things, \$100 million for damages. On May 14, 2024, the plaintiff filed an amended complaint with three of the original six causes of action, alleging an unconstitutional taking of 150 acres of land for open space (a condition of the Map's approval), a violation of substantive due process, and a request for declaratory judgment. The County answered the amended complaint on March 14, 2025. The County and the plaintiff plan to enter mediation in the latter half of 2025.

In October 2023, a lawsuit was filed (*Plenitude Holdings LLC v. County of Los Angeles*) by the former tenant and redeveloper of a public golf course in the City of Carson, alleging that the County breached a lease agreement when: (1) it denied the plaintiff an additional six-month extension to commence construction; (2) it terminated the lease when the plaintiff failed to commence construction; and (3) it breached the covenant of good faith when it refused to alter the contract to allow the plaintiff to develop the property in phases. In February 2024, the court partially granted the County's demurrer dismissing the plaintiff's first cause of action for breach of contract. Discovery is ongoing, and the matter is currently set for trial in November 2026. Based on the complaint, the plaintiff seeks \$20 million for past expenditures and future profits to be proven at trial.

**Investigation**

On April 8, 2025, the United States Attorney for the Central District of California announced the formation of a Homelessness Fraud and Corruption Task Force (the "Task Force") that will investigate potential fraud, waste, abuse, and corruption involving the use of federal funds allocated to address homelessness within the seven-county jurisdiction of the Central District of California, which consists of the counties of Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura. The County has not received any official notice or instructions from the Task Force and cannot predict at this time the extent of any potential financial or budgetary exposure.

**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.

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**TABLE 1: RETIREMENT PLAN UAAL AND FUNDED RATIO****(in thousands)**

<u>Actuarial Valuation Date</u>	<u>Market Value of Plan Assets</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>UAAL</u>	<u>Funded Ratio</u>
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%
06/30/2024	79,202,225	76,663,543	94,803,237	18,139,694	80.87%
06/30/2025	86,187,618	81,763,259	99,706,644	17,943,385	82.00%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2025.

**TABLE 2: INVESTMENT RETURN ON RETIREMENT PLAN ASSETS****(in thousands)**

<u>Fiscal Year</u>	<u>Market Value of Plan Assets</u>	<u>Market Rate of Return</u>	<u>Funded Ratio Based on Market Value</u>
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%
2023-24	79,202,225	9.1%	80.9%
2024-25	86,187,618	9.7%	82.0%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2025.

**TABLE 3: COUNTY PENSION AND OPEB PAYMENTS****(in thousands)**

<u>Fiscal Year</u>	<u>Retirement Fund</u>	<u>Payments to LACERA OPEB (PAYGO)</u>	<u>OPEB (Prefund)</u>	<u>OPEB Disability</u>	<u>Total Retirement &amp; OPEB Payments</u>
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	2,435,784	760,620	503,390	43,552	3,743,346
2024-25	2,593,336	832,507	571,230	40,244	4,037,317
2025-26	2,784,685 *	892,611 *	646,790 *	42,222 *	4,366,308 *
2026-27	2,745,600 *	1,010,225 *	723,078 *	45,724 *	4,524,627 *

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, will 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 78.6% of the Fiscal Year 2026-27 Recommended Budget (the "2026-27 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 11.1% of the 2026-27 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 0.5% of the 2026-27 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 7.0% of the 2026-27 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 2.8% of the 2026-27 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 number of appropriations by local governments to "Proceeds of Taxes." The County's appropriation limit for Proceeds of Taxes for Fiscal Year 2025-26 is \$39,343,692,924. The 2025-26 Adopted Budget includes proceeds from taxes of \$20,071,974,000, 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, \$5.888 billion of the \$38.319 billion 2026-27 Recommended Budget is received from the Federal government and \$10.178 billion is funded by the State. The remaining \$22.253 billion of County revenues are generated from property taxes and a variety of other sources. The fact that 42.0% 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 15, 2025, President Donald J. Trump signed into law H.R. 1968, the Full-Year Continuing Appropriations and Extensions Act, 2025. This continuing resolution provided funding for approximately six months remaining in Federal Fiscal Year ("FFY") 2025, which ended on September 30, 2025. H.R. 1968 maintained or increased funding for most programs of interest to the County through September 30, 2025, at the previous FFY 2024 levels.

On May 30, 2025, President Trump submitted to Congress his budget request for FFY 2026, which included a \$163 billion (22.6%) reduction in non-defense discretionary funding from the enacted FFY 2025 level. The President's budget proposal, which would have consolidated and reduced various health, housing and other programs of interest to the County, only deals with the discretionary portion of the Federal budget and must be passed by Congress and signed by the President by September 30, 2025, to take effect through the appropriations process. Without final appropriations by Congress and the failure to pass a

continuing resolution at current spending levels, the Federal government was shutdown from October 1, 2025 to November 12, 2025.

On July 4, 2025, President Trump signed into law H.R.1, the comprehensive Budget Reconciliation package known as the One Big Beautiful Bill Act (the "BBBA"). The BBBA includes tax changes, major healthcare policy reforms affecting Medicaid and Medicare, and other provisions related to immigration, agriculture, and artificial intelligence.

Based on ongoing assessments, the BBBA is expected to result in a potential reduction in federal funding to the County of approximately \$1.8 billion over the next three fiscal years. Specifically, the BBBA will have direct and significant impacts on a number of programs that provide services to County residents, including Medicaid and access to health care and behavioral health services in the County, Supplemental Nutrition Assistance Program (SNAP) and public housing. Due to the expected losses attributed to the BBBA, the County continues to plan for program and operational curtailments.

The County and its impacted departments are continuing to review the BBBA and evaluate options to mitigate the negative impact of the BBBA on health and other County services. One option the County is pursuing is an increase in the Measure B parcel tax rate, which was first approved by voters in 2022. The Board of Supervisors recently adopted the parcel tax rate increase, which is effective July 1, 2025, and is expected to raise an additional \$87 million per year for the County's trauma care network and other eligible County services.

On November 12, 2025, the House of Representatives voted to approve H.R. 5371, the Continuing Appropriations Act of 2026. This legislation, which was previously approved by the Senate on November 10, 2025, was signed by President Trump shortly thereafter ending the longest Federal government shutdown in history at 43 days. H.R. 5371 kept the Federal government funded through January 30, 2026 at FFY 2025 levels for most programs and activities, with several exceptions that provide funding flexibility and additional appropriations for various programs.

On January 23, 2026, President Trump signed into law H.R. 6938, the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026, which contained three additional funding measures that provide appropriations for the agencies funded by these bills through September 30, 2026.

On February 3, 2026, President Trump signed into law H.R. 7148, the Consolidated Appropriations Act of 2026, which addressed five of the remaining six funding measures. H.R. 7148 includes \$1.2 trillion of funding for the Department of Defense; Financial Services and General Government; Labor; Health and Human Services; Education; National Security and Department of State; Transportation and Housing and Urban Development, through September 30, 2026. H.R. 7148 also provided short-term funding for the agencies under DHS, including the Federal Emergency Management Agency (FEMA); Immigration and Customs Enforcement (ICE); Customs and Border Protection (CBP); the Transportation Security Administration; and the Coast Guard through February 13, 2026. These agencies were temporarily funded to enable further negotiation related to immigration enforcement. However, since that date passed without an agreement to provide funding or an extension, a partial shutdown

of the agencies funded by DHS became effective on February 14, 2026. The partial shutdown is not expected to impact ICE and CBP, which are operating without interruption due to funding that the agencies received under H.R. 1.

With the signing of H.R. 7148, 11 of the 12 Federal Appropriations bills for FFY 2026 have been signed into law, thereby funding the majority of the federal government through September 30, 2026. Discussions between Republican and Democratic Leadership on FFY 2026 funding for DHS have not resulted in an agreement that can clear the 60-vote threshold required for passage in the Senate.

On April 3, 2026, President Trump submitted to Congress a \$2.17 trillion budget request for FFY 2027. The budget request proposes approximately \$660.1 billion in non-defense discretionary spending, a 10 percent reduction from the FFY 2026 level of \$733.5 billion, and defense spending of approximately \$1.5 trillion, a 44 percent increase. Mandatory (entitlement) spending and interest on the national debt continues to represent the fastest growing parts of the budget.

The budget request continues to propose the creation of the Administration for a Health America (AHA) at the U.S. Department of Health and Human Services (HHS). AHA will combine the Office of the Assistant Secretary for Health (OASH), the Health Resources and Services Administration (HRSA), the Substance Abuse and Mental Health Services Administration (SAMHSA), and select programs from the Centers for Disease Control and Prevention (CDC) into one, new agency. Further, the budget request proposes to integrate HRSA's Office of Pharmacy Affairs, including the 340B Drug Pricing Program, into the Centers for Medicare and Medicaid Services. The budget request also proposes \$30 million for a new "National Fraud Division" within the Department of Justice to investigate and prosecute fraud nationwide.

The budget request serves as a blueprint of the President's priorities, but it must be passed by Congress and signed by the President by September 30, 2026, to take effect through the appropriations process. The next step is for the U.S. House of Representatives and U.S. Senate to fund the discretionary parts of the budget through 12 annual appropriations bills that collectively fund government operations. In FFY 2026, Congress rejected most of the cuts in domestic discretionary spending that were proposed in the President's budget request, along with major agency restructuring such as the creation of the AHA, which as noted, is proposed in the FFY 2027 budget request again.

The Administration is also proposing to fund some of the increases in defense spending through budget reconciliation, which is an expedited procedural maneuver that applies to certain legislative measures involving taxes and spending. Notably, the normal U.S. Senate rule that requires a three-fifths vote of Senators to proceed to consideration of a bill does not apply to budget reconciliation measures. However, there are also limitations on when budget reconciliation can be used. A budget reconciliation bill can only be considered once per fiscal year and cannot be used to enact policy changes that do not have a monetary component.

It is also possible that Congress may fund agencies within the Department of Homeland Security, most of which are currently

operating under a partial government shutdown, through the budget reconciliation process.

During Federal government shutdowns, most County operations continue uninterrupted due to the relatively short duration of the funding lapses. Certain emergency and essential activities, such as military and public safety functions, can continue despite the lack of appropriations. Of greater importance to the financial condition of the County and its residents that rely on Federal funding are mandatory entitlement programs, which represent the vast majority of Federal funding distributed through the County. Mandatory entitlement programs are not subject to the annual appropriations process and are not immediately affected by a Federal government shutdown.

In September 2021, the United States Treasury Office of Inspector General (“OIG”) started a compliance desk review of the funds received by the County pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). On July 7, 2023, a final report was issued which set forth various recommendations and identified approximately \$249 million of CARES Act funds as questioned costs. The County has taken actions to address the recommendations. In April 2024 and April 2025, the OIG notified the County of a follow-up review of the recommendations set forth in the final report. The County has provided additional materials to the OIG and is waiting for a response.

## **STATE BUDGET PROCESS**

Over the last 30+ years since the early 1990’s, 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 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 on 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, 2022-23, 2023-24, and 2024-25 the County General Fund received \$201.9 million, \$243.2 million, \$232.5 million, \$352.4 million, \$315.4 million, \$390.5 million, \$391.4 million, and \$403.7 million of residual taxes, respectively. The budgeted and estimated residual tax revenue for Fiscal Year 2025-26 is \$419.3 million. The 2026-27 Recommended Budget includes a projected \$440.2 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.

## 2025-26 State Budget

On January 10, 2025, Governor Newsom released his Fiscal Year 2025-26 Proposed State Budget (the "Proposed State Budget"). The Proposed State Budget projects a beginning fund balance from Fiscal Year 2024-25 of \$26.299 billion, total revenues and transfers of \$225.095 billion, total expenditures of \$228.892 billion, and a year-end fund balance of \$22.502 billion for Fiscal Year 2025-26. Of the projected year-end fund balance, \$18.001 billion would be allocated to the Reserve for Liquidation of Encumbrances and \$4.501 billion would be deposited to the Special Fund for Economic Uncertainties. The Proposed State Budget also allocates \$1.533 billion to the Public School System Stabilization Account. The Proposed State Budget includes a balance of \$10.945 billion in the State's Budget Stabilization Account (Rainy Day Fund).

On May 14, 2025, Governor Newsom released his Fiscal Year 2025-26 May Budget Revision (the "May Budget Revision"). The May Budget Revision projects a beginning fund balance from Fiscal Year 2024-25 of \$34.321 billion, total revenues and transfers of \$214.559 billion, total expenditures of \$226.376 billion, and a year-end fund balance of \$22.504 billion for Fiscal Year 2025-26. Of the projected year-end fund balance, \$18.001 billion would be allocated to the Reserve for Liquidation of Encumbrances and \$4.503 billion would be deposited to the Special Fund for Economic Uncertainties. The May Budget Revision includes a balance of \$11.192 billion in the State's Budget Stabilization Account (Rainy Day Fund).

On June 27, 2025, Governor Newsom signed the primary budget bill for the final Fiscal Year 2025-26 State Budget, along with various budget-related trailer bills that encompass the Fiscal Year 2025-26 State Budget Act (the "2025-26 State Budget Act"). The 2025-26 State Budget Act projects a beginning fund balance from Fiscal Year 2024-25 of \$35.146 billion, total revenues and transfers of \$215.733 billion, total expenditures of \$228.366 billion, and a year-end fund balance of \$22.513 billion for Fiscal Year 2025-26. Of the projected year-end fund balance, \$18.001 billion would be allocated to the Reserve for Liquidation of Encumbrances and \$4.513 billion would be deposited to the Special Fund for Economic Uncertainties. The 2025-26 State Budget Act includes a balance of \$11.191 billion in the State's Budget Stabilization Account (Rainy Day Fund).

The items in the 2025-26 State Budget Act that are of major interest to the County include the following:

Medi-Cal Expansion, Adults 19 and Older – Modifies the May Budget Revision proposal to freeze enrollment in Medi-Cal for individuals with Unsatisfactory Immigration Status, ages 19 and older, beginning January 1, 2026, by including a six-month re-enrollment grace period and clarifying that an individual cannot "age-out" of the program.

Medi-Cal Premiums, Adults 19 and Older – Modifies the May Budget Revision proposal to implement a \$100 per-month premium for full-scope Medi-Cal for individuals with Unsatisfactory Immigration Status, ages 19 and over, by reducing it to a \$30 per-month premium instead, effective July 1, 2027, for ages 19 to 59.

Medi-Cal Asset Test Limits – Rejects the May Budget Revision proposal to set the Medi-Cal asset test limit at \$2,000 for

individuals or \$3,000 for couples, by restoring it to \$130,000 for individuals and \$195,000 for couples.

Incompetent to Stand Trial (IST) Infrastructure Grant Program Reduction – Reverts \$232.5 million in State funding from unused funds in the IST Infrastructure Grant Program.

MyCAvax System Funding – Approves the May Budget Revision proposal to provide \$31.451 million in one-time State funding to support the maintenance and operations of multiple information technology systems that support statewide vaccine distribution, appointment scheduling, vaccine clinic management, and vaccination records management and sharing.

AIDS Drug Assistance Program (ADAP) – Allocates \$75 million from the ADAP Rebate Fund to support programs experiencing a loss of federal funding.

California Department of Social Services Homeless Services Program – Allocates \$83.8 million in one-time State funding for the Home Safe and Bringing Families Home program and \$81 million in one-time State funding for programs to continue housing support for those involved in Foster Care or Adult Protective Services. Additionally, the 2025-26 State Budget Act allocates \$44.6 million in one-time State funding for the Housing and Disability Advocacy Program for housing support for seniors and people with disabilities.

Homeless Housing Assistance and Prevention (HHAP) Program – Appropriates \$500 million for a seventh round of the HHAP program and proposes trailer bill language to govern the administration of the new HHAP allocation.

Victims Services – Allocates \$100 million in supplemental Victims of Crime Act funding in Fiscal Year 2025-26.

Suitability of Facilities for the Confinement of Juveniles Trailer Bill Language – Adopts proposed language concerning the Board of State and Community Corrections authorities to determine the suitability of a juvenile confinement facility.

Pretrial Release Program – Approves the May Budget Revision proposal to revert \$20 million from Fiscal Year 2024-25, and ongoing funding reductions beginning in Fiscal Year 2026-27 for the Pretrial Release program. The 2025-26 State Budget Act rejects the reversion for Fiscal Year 2025-26 and instead restores \$15 million, for a total of \$65 million in State funding for Fiscal Year 2025-26.

Foster Family Agencies (FFA) Bridge Funding – Approves \$31.5 million (\$23 million in State funding) in bridge funding for FFAs to prevent FFA closures, including matching federal funds.

Exide Facility Cleanup Funding – Approves the May Budget Revision proposal to allocate \$35 million from the Lead-Acid Battery Cleanup Fund and \$40 million in State funding to loan to the Toxic Substances Control Account to fund continued cleanup

activities at the Exide Facility. This proposal also includes provisional language to allow funding for residential cleanup or facility remediation.

California Film and Television Tax Credit – Adopts the initiative in the Proposed State Budget to increase the annual credit amount for the California Television and Film Tax Credit to \$750 million.

Workforce Development – Allocates \$5 million for the California Workforce Development Board to support workforce development in areas of Los Angeles County and Ventura County impacted by wildfires.

Los Angeles County Fire Camp Contract – Provides two-year funding to sustain Los Angeles County fire camp operations for Fiscal Year 2025-26 and Fiscal Year 2026-27.

Dental Benefits, Adults 19 and Older – Delays the May Budget Revision proposal to eliminate full-scope, state-only dental coverage for Medi-Cal enrollees with Unsatisfactory Immigration Status, ages 19 and older, to July 1, 2026.

Pharmacy Drug Rebates – Adjusts the May Budget Revision proposal to implement a pharmacy rebate aggregator to secure State rebates for individuals with Unsatisfactory Immigration Status. The estimated annual savings in State funding is \$370 million in Fiscal Year 2025-26 and \$600 thereafter.

Funding for Indigent Defense – Approves the May Budget Revision proposal to allocate \$15 million in one-time State funding to expand public indigent defense services.

Proposition 36 Funding for Court Workload – Reduces the May Budget Revision proposal from \$30 million to \$20 million for the courts to support workload and initial implementation of Proposition 36.

Juvenile Justice Realignment Block Grant (JJRBG) Formula Revision – Modifies the May Budget Revision proposal to require a new formula to begin in Fiscal Year 2025-26, adjust proportions of the formula based on realignment targets and transfers, prohibits the use of JJRBG funds for any facility that has been determined unsuitable, requires counties to report on JJRBG expenditures, returns unspent JJRBG funds after three years, and requires the balance of unspent funds be available to improve outcomes for justice-involved youth.

Flexible Cash Assistance for Survivors of Crime – Adopts the May Budget Revision proposal to revert \$49.7 million State funding from the Flexible Cash Assistance for Survivors of Crime Program.

CalWORKs Single Allocation (SA) – Approves placeholder trailer bill language to require the review of county program activities in connection with the concept of acknowledged funding gaps in the CalWORKs SA and consider workload relief changes that enable effective county administration of the CalWORKs Program.

Streamlining CalWORKs – Approves trailer bill language that make changes to the CalWORKs program, resulting in efficiencies for families and counties and augments the trailer bill language to include a first 90-day sanction deferral, promoting early engagement, family stabilization, and improved access to childcare and transportation services.

Elimination of IHSS for Undocumented Individuals – Rejects the May Budget Revision proposal to eliminate IHSS for individuals classified as having “unsatisfactory immigration status” under federal law.

IHSS Provider Overtime – Rejects the May Budget Revision proposal to cap IHSS provider overtime at 50 hours per week beginning in Fiscal Year 2025-26.

California Food Assistance Program (CFAP) – Rejects the May Budget Revision proposal that would make the expansion of the CFAP to adults 55 and over, regardless of immigration status, subject to a trigger-on, based on the availability of State funding in the Spring of 2027.

Emergency Child Care Bridge (ECCB) Program for Foster Youth – Reduces State funding to the ECCB Program by \$30 million, leaving approximately \$63.7 million in ongoing funding to support the ECCB program.

Family Urgent Response System (FURS) – Reduces State funding to the FURS Program funding by \$9 million, leaving approximately \$22 million in ongoing funding to support the FURS Program.

Foster Care Tiered Rate Structure (TRS) – Rejects the May Budget Revision proposal to subject the TRS to a California Department of Finance “trigger” and instead specifies it will be subject to an appropriation by the Legislature.

Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program Board – Modifies the May Budget Revision proposal to reduce funding for HOPE accounts for children from a \$50 million reduction to a \$40 million reduction.

Community Renewable Energy and Storage – Adopts the May Budget Revision proposal to revert \$33 million in State funding for programs funding community renewable energy projects.

Clean Transportation Program Grant Trailer Bill Language – Adopts the proposed trailer bill language that would add zero-emission vehicle infrastructure as an eligible grant purpose and revise the Clean Transportation Program to eliminate the restriction that block grants and inventive programs be administered by public entities or non-profits.

County Counsel Funding – Allocates \$2 million in State funding to the Los Angeles County Office of the County Counsel for administrative actions, affirmative litigation, and defense against enforcement and legal actions taken by the Federal government.

Military Retirement Income Exclusion – Includes the initiative in the Proposed State Budget to exclude \$20,000 of military retirement income or surviving spouse benefits from income for State tax purposes.

World Cup 2026 – Allocates \$10 million in State funding for World Cup security in the Los Angeles and Bay Area regions.

Vehicle License Fee (VLF) – Provides \$79 million in one-time State funding for local governments to backfill a VLF shortfall.

Tax Reform Options – Directs the Legislative Analyst to develop tax reform options that lower taxes for California families, maximize federal deductibility, minimize any negative economic impacts on the California economy, and strengthens revenues over the long-term. The tax reform options will be due to the Legislature in November 2025 and be considered in the development of the Fiscal Year 2026-27 State budget.

Wildfire Settlements – Approves the exclusion of wildfire settlements from taxable income received in tax years 2021 through 2029.

Children's Holistic Immigration Representation Project (CHIRP) – Allocates \$10 million in one-time State funding to continue CHIRP, which provides integrated social and legal services to unaccompanied minors.

One California Immigration Legal Services – Provides \$10 million one-time State funding for immigration legal services under the One California program, which is in addition to the \$75 million ongoing State funding and \$10 million in one-time funding provided in the special session (SBX1-2) for One California.

## **2026-27 State Budget**

On January 9, 2026, Governor Newsom released his Fiscal Year 2026-27 Proposed State Budget (the "Proposed State Budget"). The Proposed State Budget projects a beginning fund balance from Fiscal Year 2025-26 of \$53.451 billion, total revenues and transfers of \$227.385 billion, total expenditures of \$248.330 billion, and a year-end fund balance of \$32.506 billion for Fiscal Year 2026-27. Of the projected year-end fund balance, \$27.998 billion would be allocated to the Reserve for Liquidation of Encumbrances and \$4.508 billion would be deposited to the Special Fund for Economic Uncertainties. The Proposed State Budget also allocates \$4.102 billion to the Public School System Stabilization Account and includes a balance of \$14.350 billion in the State's Budget Stabilization Account (Rainy Day Fund).

From the County's perspective, the most important aspect of the Proposed State Budget are the State's efforts to manage baseline cost growth and the fiscal impact of Federal policy changes. The items in the Proposed State Budget that are of major interest to the County include the following:

Work and Community Engagement Requirement – Includes a funding reduction of \$373 million (\$102 million in State funding) in Fiscal Year 2026-27 and \$13.1 billion (\$3.6 billion in State funding) by Fiscal Year 2029-30, due to the new work and community

engagement requirements for the Affordable Care Act (ACA) adult expansion population, effective January 1, 2027.

Medical Assistance Percentage for Emergency Services – Reduces State funding by \$658 million in Fiscal Year 2026-27 and \$872 million by Fiscal Year 2029-30 due to the reduction in Federal matching funds from 90 percent to 50 percent for emergency services for the ACA adult expansion population with unsatisfactory immigration status.

Restrictions on Immigrant Eligibility – Transitions individuals impacted by the Federal eligibility change for qualified non-citizens to restricted-scope Medi-Cal, effective October 1, 2026.

ACA Adult Expansion Six-Month Redeterminations – Includes a funding reduction of \$463 million (\$74 million in State funding) in Fiscal Year 2026-27 and a \$3 billion reduction (\$474 million in State funding) by Fiscal Year 2029-30 due to a decrease in the caseload resulting from the change in the frequency of the required Federal eligibility redetermination from once per year to every six months.

Los Angeles County Wildfire Recovery – States the Newsom administration's intention to explore financing mechanisms to address the funding gap in connection with the residential rebuild in the aftermath of the Los Angeles wildfires, and to develop a proposal for consideration in the May Budget Revision.

Affordable Housing and Sustainable Communities (AHSC) Program Modernization – Provides up to \$560 million annually from Cap-and-Invest auction proceeds for affordable housing administered by the California Housing Development and Finance Committee as part of the Newsome administration's modernization of the AHSC Program. The Proposed State Budget proposes statutory language to separate the affordable housing components from the sustainable communities and agricultural land conservation components of AHSC.

Active Transportation – Provides \$1.1 billion in one-time State funding from the Fiscal Year 2025-26 State Budget Act for the Active Transportation Program and associated climate adaptation.

Transit Passes – Provides \$125 million in Green House Gas Reduction Funds (GGRF) for free transit passes.

Advanced Clean Fleets – Provides \$1.7 million in Air Pollution Control Funds (APCF) to implement the State and local government elements of the Advanced Clean Fleets regulation.

Zero-Emission Incentives – Provides \$200 million in one-time special funds (\$166 million in GGRF and APCF from the Fiscal Year 2025-26 State Budget Act and statutory language to establish a new light-duty zero-emission vehicle incentive program.

Flood Control – Provides \$232 million in Proposition 4 funding for projects to evaluate, repair, rehabilitate, reconstruct, expand, or replace levees, weirs, bypasses, and facilities of the State Plan of Flood Control, projects in the Sacramento-San Joaquin river delta, and projects funded through the Flood Control Subventions Program.

Drinking Water – Provides \$173 million in Proposition 4 funding for projects serving small or disadvantaged communities or tribes, addressing failing public and private wells and water systems at risk of failing, and wastewater projects serving small or disadvantaged communities that address a violation or connect unsewered homes to a centralized wastewater system.

CalVIP – Provides \$51.9 million from excise taxes applied to firearms and ammunition sales in Fiscal Year 2026-27 for grants to cities, counties, and tribal governments disproportionately impacted by gun violence, as well as community-based organizations.

Community Assistance, Recovery, and Empowerment (CARE Court) – Provides \$17.4 million in ongoing State funding to support public defender and legal services organizations that provide legal counsel to CARE Court participants.

Community Corrections Performance Incentive Grant – Provides \$127.9 million in State funding to provide incentives for counties to reduce the number of felony probationers sent to State prison.

Proposition 47 Savings – Provides \$81.3 million in State funding from savings that would subsequently be allocated to grants for public agencies that provide recidivism reduction programs and victim services.

Apprenticeship Training Grants – Provides \$18.2 million in State funding for apprenticeship training grants in Fiscal Year 2026-27, \$18.1 million in Fiscal Year 2027-28, and \$17.8 million in both Fiscal Year 2028-29 and Fiscal Year 2029-30 for approved apprenticeship programs in construction and related trades.

In-Home Supportive Services (IHSS) Eligibility to Align with Medi-Cal – Reduces State funding by \$86 million to conform the IHSS Residual Program with the timing of Medi-Cal coverage, beginning in Fiscal Year 2026-27.

IHSS Growth In Assessed Hours – Includes a reduction in State funding of \$233.6 million to eliminate the State's share of costs related to IHSS hours per case growth, beginning in Fiscal Year 2027-28.

CalFresh Administration – Includes a State funding increase of \$382.9 million in Fiscal Year 2026-27 to reflect the federal share of CalFresh administrative cost reduction changing from 50 percent to 25 percent beginning on October 1, 2026, due to policy changes included in H.R. 1.

CalFresh – Eliminates \$66.2 million in State funding resulting from the CalFresh disenrollments in Fiscal Year 2026-27 due to Federal policy changes.

Bringing Families Home – Provides \$81.0 million in one-time State funding in Fiscal Year 2025-26.

Child Support Local Assistance – Provides a \$16.6 million funding increase (\$6.0 million in State funding and \$10.6 million in Federal funding) in Fiscal Year 2026-27 to restore funding to Fiscal Year 2023-24 levels. The County is expected to receive approximately \$2.9 million of this amount.

Child Care Infrastructure – Provides a one-time Proposition 64 funding increase of \$11.5 million for child care infrastructure, specifically targeted toward communities impacted by recent fires.

LA County School Wildfire Recovery – Provides \$22.9 million in one-time Proposition 98 State funding to support local educational agencies that are continuing to recover from the January 2025 wildfires in Los Angeles County.

Exide Residential Cleanup – Provides \$50 million in State funding and \$20 million in special funds for Fiscal Year 2026-27 and Fiscal Year 2027-28 to continue the clean-up of residential properties contaminated by the former Exide battery recycling facility in Vernon. This funding will support the remediation of an additional 1,000 properties.

Superfund Cleanups – Provides \$40.2 million in one-time special funds to assist with the cleanup of abandoned and contaminated brownfields and Superfund sites to protect public health and encourage revitalization.

Sustainable Communities – Allocates up to \$240 million in Cap-and-Invest proceeds for the Sustainable Communities and Agricultural Land Conversion Program for permanent agricultural easements on agricultural lands at risk of development and funds for local governments to improve farmland conservation policy and program development.

Coastal Resilience – Provides \$107 million in Proposition 4 funding for investments to protect coastal communities against sea level rise, storm surges, increased flooding, erosion, and habitat loss.

Extreme Heat Mitigation – Provides \$241 million in Proposition 4 funding for investments that address extreme heat events including the Transformative Climate Communities Program, community resilience centers, and CAL FIRE's Urban and Community Forestry Grant Program.

Conservation and Outdoor Access – Provides \$123.3 million in Proposition 4 funding for ecosystem and land conservation and \$35 million in Proposition 4 funding for expanded parks and outdoor access.

Topanga State Park – Provides \$15 million in GGRF for restoring Topanga State Park.

Local Fire Prevention Grants – Provides \$58 million in Proposition 4 funding for wildfire prevention and hazardous fuels reduction projects and activities in and near wildfire threatened communities.

Fire Resilience – Provides \$19.6 million in Proposition 4 funding for technical and financial assistance to help homeowners in wildfire-vulnerable areas to implement defensible space mitigations.

Wildfire Risk Reduction Related to Electricity Transmission – Provides \$15.2 million in Proposition 4 funding to support cooperation in advancing fuel reduction around vulnerable communities to reduce the risk exposure to wildfires.

Wildfire Readiness Seven-Day-Per-Week Schedule – California Conservation Corps Hand Crews – Provides \$11.7 million in ongoing State funding for 49 positions and 47 full-time equivalent Corpsmember and Special Corpsmember positions to implement a seven-day operational schedule year-round and to improve wildfire readiness, rapid response, and workforce development.

## RECENT COUNTY BUDGETS

General County Budgets have continued to reflect a conservative approach, maintaining a stable budgetary outlook amid significant and ongoing fiscal pressures. The County is facing slowing revenue growth, rising operational costs, and substantial reductions or uncertainty in Federal and State funding for critical safety net services. At the same time, the County must plan for significant long-term financial obligations, including a \$4.8 billion settlement under Assembly Bill 218.

To maintain fiscal stability, the County has implemented a range of structural and operational measures, including departmental budget curtailments, expenditure reductions, hiring freeze, and the strategic use of reserves where necessary to maintain core services.

### 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 fifteen 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%, 6.95%, 5.91%, 4.85% and 3.91% in Fiscal Years 2011-12 through 2025-26, respectively.

On August 4, 2025, the Assessor released the Fiscal Year 2025-26 Assessment Roll. For Fiscal Year 2025-26, the Assessor reported a Net Local Roll of \$2.176 trillion, which represents an increase of 3.91% or \$82.0 billion from Fiscal Year 2024-25. The Fiscal Year 2025-26 Net Local Roll represents the largest revenue-producing valuation in the history of the County, and the fifteenth consecutive year of assessed valuation growth. The largest factors contributing to the increase in assessed valuation are transfers in ownership (\$51.4 billion) and an increase in the consumer price index (\$41.1 billion), which were partially offset by Decline-in-Value Adjustments (\$16.3 billion), primarily as a result of the 2025 wildfires.

After experiencing a significant decline in 2023, real estate sales increased slightly in 2024 and home prices remained strong throughout 2024. The increase in the Net Local Roll reflects the ongoing price strength of the single-family housing market, with the median single-family home value reaching a record high of \$950,000 in August 2024. The trend of lower real estate sales volume and increasing home prices over the last two years were a direct result of rising mortgage interest rates and the limited number of homes available for sale in the residential market. The California Consumer Price Index that exceeded the allowable limit of 2% was also a significant contributing factor to the increased growth of the Net Local Roll for Fiscal Year 2025-26.

For the Fiscal Year 2025-26 tax roll, the Assessor estimated that approximately 6.9% of all single-family residential parcels, 7.5% of all residential income parcels, and 10.4% 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 the parcels are sold and re-assessed at higher values.

### 2025 Wildfires

The Eaton and Palisades wildfires are among the worst natural disasters to strike the County in modern times. Beyond the human toll of the deadly and destructive fires, some early forecasts place the overall economic impact to the County at more than \$250.0 billion. As a vital player in the regional economy, the County expects decreases in some locally generated revenues, including decreases in property tax revenues from the full or partial loss of properties in the affected areas and further decreases in local sales tax-based revenues due to the loss and closure of businesses. Extending through April 2026, the deadline for property owners in fire-impacted areas to pay their secured property taxes without penalties and interest will have a further impact on County revenues.

While revenues will face fire-driven declines, the County anticipates a significant increase in costs to facilitate the clean-up and rebuilding efforts to help the impacted areas recover as quickly as possible, which will reverberate well beyond Fiscal Year 2024-25. The County will shoulder most of the initial costs in connection with the rebuilding effort and will work with the Federal Emergency Management Agency (FEMA) to claim eligible costs for future reimbursement. Based on prior experience with natural disasters, FEMA does not typically cover all claimed costs, and reimbursements are not fully repaid until years after claims are submitted. Based on current estimates, the County expects to expend more than \$800 million in response to the wildfires and to facilitate the recovery effort, with a majority of the costs potentially eligible for reimbursement from FEMA.

On October 14, 2025, the Board of Supervisors adopted a resolution approving the County’s participation in the Altadena Wildfire Recovery Infrastructure Financing District (the “Financing District”). The purpose of the Financing District is to fund public infrastructure projects and other projects, including the potential use of future bond financing to facilitate the rebuilding of the Altadena unincorporated area in response to the Eaton fire in January 2025.

### FISCAL YEAR 2025-26 FINAL ADOPTED BUDGET

The Fiscal Year 2025-26 Final Adopted Budget (the “2025-26 Final Adopted Budget”) was approved by the Board of

Supervisors on September 30, 2025. The 2025-26 Final Adopted Budget appropriated \$52.477 billion, which reflects a \$3.304 billion or 6.7% increase in total funding requirements from the 2024-25 Final Adopted Budget. The General County Budget (General Fund and Hospital Enterprise Fund) appropriated \$40.097 billion in Fiscal Year 2025-26, which represents a \$2.102 billion or 5.5% increase from the 2024-25 Final Adopted Budget. The 2025-26 Final Adopted Budget appropriated \$12.380 billion for Special Funds/Districts, reflecting a \$1.202 billion or 10.8% increase from the Fiscal Year 2024-25 Final Adopted Budget.

The primary changes to the ongoing NCC component of the 2025-26 Final Adopted Budget are outlined in the following table.

<b>Public Assistance Changes</b>	\$40,085,000
<b>Unavoidable Cost Increases</b>	
Employee Salaries	(265,000)
Non-negotiated Salaries Set Aside	162,393,000
<b>Program Changes</b>	
Curtailments	162,393,000
All Other Program Changes	171,000
<b>Fiscal Policies</b>	
Appropriations for Contingencies	8,191,000
Deferred Maintenance	0
<b>Total Net County Cost Increases</b>	<b>48,182,000</b>
<b>Revenue Changes</b>	
Property Taxes	43,904,000
Property Taxes - CRA Dissolution Residual	4,278,000
<b>Total Locally Generated Revenue</b>	<b>48,182,000</b>
Total NCC Budget Gap	<b>\$0</b>

**Public Assistance Change**

The increase in funding for Public Assistance in the 2025-26 Final Adopted Budget is due to funding increases for the IHSS program.

**Unavoidable Cost Increases**

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

**Program Changes**

The 2025-26 Final Adopted Budget included \$162.4 million in program curtailments to fund expected salary and benefit increases, as well as \$171,000 of adjustments to various County programs.

**Fiscal Policies**

The balance of the County’s Rainy-Day Fund as of the 2025-26 Final Adopted Budget is \$738.2 million, which represents approximately 8.1% of ongoing discretionary revenues. The 2025-26 Final Adopted Budget included \$51.2 million in Appropriations

for Contingencies, which reflects 17% of new ongoing discretionary revenues in Fiscal Year 2025-26.

**Revenue Changes**

The 2025-26 Final Adopted Budget included a \$43.9 million increase in property tax revenues based on a projected growth rate of 3.91% in assessed valuation. The 2025-26 Final Adopted Budget also included a \$4.3 million increase in the property tax residual from the dissolution of redevelopment agencies.

**FISCAL YEAR 2026-27 RECOMMENDED BUDGET**

The Fiscal Year 2026-27 Recommended Budget (the “2026-27 Recommended Budget”) was approved by the Board of Supervisors on April 14, 2026. The 2026-27 Recommended Budget appropriates \$48.786 billion, which reflects a \$3.691 billion or 7.0% decrease in total funding requirements from the 2025-26 Final Adopted Budget. The General County Budget (General Fund and Hospital Enterprise Fund) appropriates \$38.319 billion in Fiscal Year 2026-27 Recommended Budget, which represents a \$1.778 billion or 4.4% decrease from the 2025-26 Final Adopted Budget. The 2026-27 Recommended Budget appropriates \$10.467 billion for Special Funds/Districts, reflecting a \$1.913 billion or 15.5% decrease from the Fiscal Year 2025-26 Final Adopted Budget.

The primary changes to the ongoing NCC component of the 2026-27 Recommended Budget are outlined in the following table.

<b>Public Assistance Changes</b>	\$51,209,000
<b>Unavoidable Cost Increases</b>	
Employee Salaries	79,588,000
Health Insurance Subsidy	42,481,000
Retiree Healthcare Benefits	64,379,000
Maintenance-of-Effort Requirements	7,204,000
<b>Program Changes</b>	
Care First and Community Investment	26,668,000
Debt Service	(3,261,000)
All Other Program Changes	63,195,000
<b>Fiscal Policies</b>	
Appropriations for Contingencies	2,604,000
<b>Total Net County Cost Increases</b>	<b>334,067,000</b>
<b>Revenue Changes</b>	
Property Taxes	293,899,000
Property Taxes - CRA Dissolution Residual	20,914,000
Public Safety Sales Tax	18,344,000
Various Other Revenue	910,000
<b>Total Locally Generated Revenue</b>	<b>334,067,000</b>
Total NCC Budget Gap	<b>\$0</b>

**Public Assistance Change**

The increase in funding for Public Assistance in the 2026-27 Recommended Budget is primarily due to funding increases for

In-Home Supportive Services, Kinship Guardianship Assistance Payment, Foster Care, and Adoptions assistance programs.

### **Unavoidable Cost Increases**

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

Retiree Healthcare Benefits – The 2026-27 Recommended Budget appropriates \$64.4 million in NCC, consisting of \$25.0 million in pre-funding contributions to the OPEB Trust Fund and \$39.4 million in pay-as-you-go premiums.

### **Program Changes**

The 2026-27 Recommended Budget includes \$63.2 million of adjustments to various County programs, including increases for public safety and social services.

### **Fiscal Policies**

The balance of the County’s Rainy-Day Fund as of the 2026-27 Recommended Budget is \$738.2 million, which represents approximately 7.9% of ongoing discretionary revenues. The 2026-27 Recommended Budget includes \$54.0 million in Appropriations for Contingencies, which reflects 17% of new ongoing discretionary revenues in Fiscal Year 2026-27.

### **Revenue Changes**

The 2026-27 Recommended Budget includes a \$293.9 million increase in property tax revenues based on a preliminary projected growth rate of 3.9% in assessed valuation. The 2026-27 Recommended Budget also includes a \$20.9 million increase in the property tax residual from the dissolution of redevelopment agencies. The 2026-27 Recommended Budget includes projected increases in Proposition 172 Public Safety sales tax and local sales and use tax revenues.

### **Assembly Bill 218**

Liability and settlement costs associated with the California Child Victims Act ("AB 218") are expected to have a significant long-term effect on the financial condition of the County. On April 29, 2025, the Board of Supervisors approved a \$4.0 billion (plus administrative costs not to exceed \$15 million) settlement to address thousands of lawsuits brought under AB 218. The settlement is payable over five years beginning in Fiscal Year 2025-26, contingent on, among other things, the successful completion of a validation action for judgment obligation bonds (commencement of the validation action was authorized by the Board of Supervisors on May 13, 2025) and acceptance of the settlement by claimants. Financing the settlement is expected to require annual payments totaling hundreds of millions of dollars through 2030 and substantial continuing annual payments through Fiscal Year 2050-51. While the settlement would resolve the majority of AB 218 claims filed to date, it would not cover all of them.

### **HEALTH SERVICES BUDGET (To Be Updated)**

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 twenty-three outpatient 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 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 fund balance.

### **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 includes 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. DHCS will begin the process of redesigning the current Waiver in the third quarter of 2025. DHCS expects to start negotiations with CMS during the first quarter of 2026 and finalize negotiations by the third quarter of 2026.

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.

Under CalAIM, the Providing Access and Transforming Health Program (the "PATH Program") will provide \$1.85 billion in gross statewide funding over five years to support implementation. The PATH Program will provide: a) support for sustaining existing Whole Person Care pilot services that will continue under CalAIM as Community Supports; b) funding for technical assistance support to help expand ECM and Community Supports; c) support for collaborative planning and implementation for ECM and Community Supports; d) support for expanding access to ECM and Community Supports services beyond what was offered under Whole Person Care; and e) support for Medi-Cal pre-release collaborative planning as well as capacity and infrastructure. DHS has received funding under several of these PATH assistance categories.

### **Federal Funding Changes**

The sweeping changes to the Medicaid Program in the BBBA and the resulting reduction in Federal funding for Medi-Cal will have a significant operational impact on DHS and the patients they serve. The changes to the Medicaid provisions can be broadly characterized in two categories: eligibility restrictions for patients; and funding cuts for states and providers. The magnitude of the changes will likely necessitate service and related staff reductions at DHS, the specifics of which are yet to be determined.

### **Medi-Cal Eligibility Restrictions**

The enrollment changes under the BBBA are largely aimed at reducing funding and coverage for the Affordable Care Act (ACA) Expansion population, which includes adults with incomes under 133% of the federal poverty level who do not meet one of the other categorical eligibility categories in Medi-Cal. This group was originally granted coverage through the ACA. The BBBA makes accessing Medicaid services for the ACA Expansion population more difficult by imposing work requirements; more frequent eligibility redeterminations, which requires states to conduct redeterminations for the ACA Expansion population every six months starting January 1, 2027; and cost sharing for the ACA Expansion population, which requires states, beginning October 1, 2028, to impose deductibles or cost sharing for individuals in the ACA Expansion population with income between 100% of the federal poverty level and 133% of the federal poverty level. Other enrollment restrictions seek to further limit access to non-emergency Medi-Cal services for non-citizens.

The combined impacts of these provisions will be to reduce the number of people who have access to Medi-Cal. To the extent newly uninsured individuals come to DHS for services, these services would no longer be compensated. DHS does not have specific estimates of the number of County residents who would be impacted by the new enrollment restrictions absent further regulatory guidance. DHS continues to monitor the regulatory environment for indications of how the new Medi-Cal eligibility restrictions will be implemented.

### **Medi-Cal Funding Reductions**

DHS is currently estimating a significant decrease in Medi-Cal funding due to the BBBA, which is expected to ramp up over the next three years to roughly \$750 million annually. The actual reduction in Medi-Cal funding to the County will depend on multiple factors, including new regulations, rules, guidance, legal challenges and additional changes to the law. The provisions of the BBBA that reduce funding to DHS include:

### **Limiting State Directed Payments to Medicare Rates**

Prior to passage of the BBBA, state directed payments were permitted to be made so long as they did not exceed average commercial rates, which are higher than Medicare rates. Under the BBBA, new payments will be limited to Medicare rates, and existing payments will go through a gradual reduction down to Medicare rates over time under a grandfathering process. Further guidance on regulation is needed to understand the specific impact to DHS. Based on preliminary estimates, DHS will lose approximately \$120 million of Medicaid funding in Fiscal Year 2027-28, and \$360 million in Fiscal Year 2028-29.

### **Federal Reimbursement for Emergency Medi-Cal Services**

In order to incentivize states to expand Medicaid eligibility to childless adults, the ACA offered an incentive of paying 90% of expenditures for this population instead of the traditional 50%. The BBBA will reduce financial reimbursement for individuals in the ACA Expansion population who lack adequate documentation of status. These individuals will continue to be eligible for emergency Medicaid, but at a reduced matching rate of 50%. Since DHS self-finances these services, this provision will result in a direct reduction in Federal funding to DHS of approximately \$40-60 million per year.

### **Disproportionate Share Hospital Funding**

Scheduled reductions of \$24 billion over three FFYs to Disproportionate Share Hospital ("DSH") funding have been delayed through September 30, 2025 by the Continuing Resolution, Section 2401. In addition, the three-year period was extended by one year from FFY 2027 to FFY 2028. Without action from Congress to further delay the DSH cuts going forward, DHS estimates a potential annual revenue loss of \$352 million in its GPP beginning in FY 2025-26 if the reductions are implemented on October 1, 2025. 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 will continue tracking this issue closely and will update its forecasts to reflect the additional use of fund balance if the DSH reductions are implemented. The reduction in Federal funding under the BBBA will be a factor in the estimated losses noted above.

### **Cost Reduction/Revenue Enhancement Efforts to Mitigate Potential Medicaid Funding Losses**

DHS is intensifying several cost reduction and revenue enhancement efforts to assist in mitigating potential Federal funding losses. For example, DHS implemented expenditure targets for each budget unit for Fiscal Year 2024-25, with similar expenditure targets for Fiscal Year 2025-26 currently being developed. DHS recently increased their collection of Measure B funds, which will provide approximately \$56.6 million in additional annual funding to DHS.

Improvements in system infrastructure are also underway that will allow improved data capture, better clinical and administrative coordination, and enhanced capabilities for accurate billing to improve revenues. The improvements include a new system to enhance the accuracy and timeliness of clinical documentation; improve coding efficiency and accuracy; and implement

concurrent reviews that provide more accurate and timely clinical documentation while patients are still in-house.

In addition, DHS is continuing its work on developing plans to replace its current legacy system with a new patient accounting system to meet current billing practices and maximizing revenues. The new system will create a more robust collaboration between clinical and administrative functions. Upon implementation of the new patient accounting system, DHS will be able to produce itemized bills, improve data capture, and maximize revenues from all payors.

DHS is also taking other proactive steps to reduce costs, including evaluating the need to backfill staff positions upon workforce attrition; continuing to reduce registry and contractor costs; limiting overtime to only essential patient care; limiting purchase of new equipment and supplies; identifying efficiencies in staffing, pharmacy, and medical supply purchases; placing all non-critical capital projects on hold; and suspending all non-essential travel and training.

**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 2025-26 is \$367.6 million. The MOE provides a stable and ongoing source of funding for DHS from the County General Fund.

**General Fund Contributions**

The Fiscal Year 2025-26 NCC contribution to DHS is \$1.280 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.

	<b>Amount</b>
County General Fund - AB 85 MOE	\$ 367.6
County General Fund - Correctional Health <sup>(A)</sup>	507.3
County General Fund - Specific Programs <sup>(B)</sup>	85.0
Vehicle License Fees Realignment	297.7
Tobacco Settlement Revenue	55.0
Transfers to Other Budget Units <sup>(C)</sup>	(32.8)
<b>Total</b>	<b>\$ 1,279.8</b>

(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 June 30, 2025, the balance of General Fund cash advances to the Hospital Funds is expected to be \$0.

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 the 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 2024, long term receivables for the affected DHS Medi-Cal managed care programs were \$930.2 million.

**Managed Care State Directed Payments**

DHS has two State-directed managed care payment programs. The first is the Enhanced Payment Program (“EPP”), which establishes a pool to supplement the base rates received by public hospitals through their Medi-Cal managed care contracts.

DHS currently estimates the Federal funding for EPP to be approximately \$1.085 billion for Fiscal Year 2025-26. Beginning in calendar year 2025, a portion of the total EPP payment (5%) will be tied to performance metrics related to cost accountability, efficiency, productivity, and access, which represents approximately \$75 million for DHS.

The other program is the Quality Incentive Program (“QIP”), which provides value-based payments for the achievement of clinically established quality measures for Medi-Cal managed care enrollees. DHS currently estimates the Federal funding for QIP is approximately \$554.3 million for Fiscal Year 2025-26.

### **DHS Reserve Funds**

In Fiscal Year 2023-24, DHS closed with a Fund Balance of \$2.861 billion. Of this amount, approximately \$1.150 billion with respect to the CBRC, Specialty Mental Health, EPP, QIP, and managed care rate supplement payments for Fiscal Years 2020-21 through 2023-24 was established as a long-term receivable and reserved in a separate account until the payments are collected. The remaining estimated Fund Balance of \$1.711 billion is available to fund DHS operations and balance its budget in the future, as needed.

As mentioned previously, the Fund Balance includes a restricted fund for Provider Relief Funds (“PRF”) in the amount of \$325.3 million. DHS recognized the PRF amount based on preliminary estimates of allowable expenditure claims, pending formal notification of the PRF audit results. DHS will reevaluate whether to release these funds during the Fiscal Year 2024-25 closing process.

### **Harbor-UCLA Medical Center Replacement Project**

On November 10, 2020, the Board of Supervisors approved the Harbor-UCLA Medical Center Replacement Project (the “Harbor-UCLA Replacement Project”). The Harbor-UCLA Replacement Project 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 Replacement Project.

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. From Fiscal Years 2021-22 through 2023-24, DHS funded \$580.0 million of DHS project costs using Fund Balance.

In September 2024, the County issued \$569.270 million of long-term lease revenue bonds to finance the remaining costs for Phase I of the Harbor-UCLA Replacement Project, the components of which include the Support Services Building, Parking Structure 2, Outpatient Clinic Building, Laboratory Building and Central Plant Building. The total project costs for Phase I of the Harbor-UCLA Replacement Project are estimated to be \$795.286 million.

Construction of the Support Services Building, which houses the

Facilities Management, Information Technology, and Safety programs, was completed in May 2024, with construction of the 1,500 space Parking Structure 2 completed in June 2024. Construction of the Outpatient Clinic Building is expected to be completed by January 2026. Construction of the Laboratory Building began in August 2024 and is expected to be completed by December 2025. Construction of the Central Plant Building began in October 2024 and is expected to be completed by June 2027.

In September 2025, the County issued \$824.480 million of 2025 Series J Lease Revenue Bonds to finance construction of Phase 2 of the Harbor-UCLA Replacement Project, which consists of a new inpatient tower. The total project costs for the new inpatient tower are estimated to be \$959.714 million, with an expected completion date in August 2027. The total combined project costs (including Phase I and Phase 2) for the Harbor-UCLA Replacement Project are estimated to be \$1.755 billion.

### **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 a \$20 million advance on a line of credit that MLK-LA established with the County in 2014. Since 2014, 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.

MLKCH has recently experienced some revenue and cash flow challenges primarily due to increased uncompensated emergency department use, and a payer mix dominated by lower-reimbursement programs. To address this challenge, MLKCH is exploring a multitude of options including pursuing new revenue sources and operating cost reductions. In January 2024, the County authorized a three-year pause on interest accrual for both the loan and line of credit mentioned above, along with a deferral of payment obligations and extension of the maturity dates for the same period, to allow MLKCH additional time to explore all increased revenue and cost reduction options. Furthermore, the County also authorized \$20.0 million in existing one-time Measure B funding for MLKCH, to be distributed incrementally through Fiscal Year 2026-27.

### **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 mitigate 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 (the "2020 Tobacco Bonds") to fully refund the 2006 Tobacco Bonds. This transaction, which is described in further detail in the Debt Summary Section of Appendix A, resulted in significant savings in interest costs 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 tobacco settlement funds for any specific purpose. Proceeds received by the County under the MSA have been deposited in the County's General Fund, with unused amounts set aside as obligated fund balance Committed for Health Services-Tobacco Settlement. In Fiscal Year 2025-26, the County was allocated \$78.023 million in total TSRs from the participating manufacturers under the MSA. Of this amount, \$57.815 million was received directly by the County. The remaining balance of \$20.208 million, which represents the 25.9% of TSRs pledged for the repayment of debt service on the 2020 Tobacco Settlement Bonds, was deposited directly with a trustee to pay the annual debt service.

## **BUDGET TABLES**

The 2026-27 Recommended Budget is supported by \$8.566 billion in property tax revenue, \$5.888 billion in Federal funding, \$10.178 billion in State funding, \$0.760 billion in cancelled obligated fund balance, \$3.516 billion in Fund Balance and \$9.411 billion from other funding sources.

<b>County of Los Angeles: General County Budget</b>						
<b>Historical Appropriations by Fund (in thousands)</b>						
Fund	Final 2021-22	Final 2022-23	Final 2023-24	Final 2024-25	Final 2025-26	Recommended 2026-27
General Fund	\$ 25,413,850	\$ 28,583,600	\$ 30,966,118	\$ 32,760,777	\$ 34,256,400	\$ 32,535,118
Hospital Enterprise Fund	4,468,193	4,749,724	4,967,704	5,234,072	5,840,213	5,783,882
<b>Total General County Budget</b>	<b>\$ 29,882,043</b>	<b>\$ 33,333,324</b>	<b>\$ 35,933,822</b>	<b>\$ 37,994,849</b>	<b>\$ 40,096,613</b>	<b>\$ 38,319,000</b>

<b>County of Los Angeles: General County Budget</b>						
<b>Historical Funding Requirements and Revenue Sources</b>						
	Final 2021-22	Final 2022-23	Final 2023-24	Final 2024-25	Final 2025-26	Recommended 2026-27
<b>Requirements</b>						
Social Services	\$ 8,186,912	\$ 9,295,250	\$ 9,884,885	\$ 10,299,010	\$ 10,523,187	\$ 10,294,900
Health	10,893,123	11,731,196	12,928,360	13,690,722	14,475,779	14,068,141
Justice	6,450,531	7,138,202	7,523,508	7,888,781	7,838,937	7,776,223
Other	4,351,477	5,168,676	5,597,069	6,116,336	7,258,710	6,179,736
<b>Total</b>	<b>\$ 29,882,043</b>	<b>\$ 33,333,324</b>	<b>\$ 35,933,822</b>	<b>\$ 37,994,849</b>	<b>\$ 40,096,613</b>	<b>\$ 38,319,000</b>
<b>Revenue Sources</b>						
Property Taxes	\$ 6,586,439	\$ 7,163,808	\$ 7,607,483	\$ 7,952,325	\$ 8,253,515	\$ 8,566,444
State Assistance	7,669,963	8,811,781	9,565,638	10,181,494	10,401,792	10,177,869
Federal Assistance	5,148,436	5,489,983	6,001,402	5,798,099	5,790,794	5,888,211
Other	10,477,205	11,867,752	12,759,299	14,062,931	15,650,512	13,686,476
<b>Total</b>	<b>\$ 29,882,043</b>	<b>\$ 33,333,324</b>	<b>\$ 35,933,822</b>	<b>\$ 37,994,849</b>	<b>\$ 40,096,613</b>	<b>\$ 38,319,000</b>

<b>County of Los Angeles: General County Budget</b>						
<b>Historical Summary of Funding Requirements by Budgetary Object and Available Financing (in thousands)</b>						
	Final 2021-22	Final 2022-23	Final 2023-24	Final 2024-25	Final 2025-26	Recommended 2026-27
<b>Financing Requirements</b>						
Salaries & Employee Benefits	\$ 15,027,355	\$ 16,044,329	\$ 16,984,661	\$ 18,039,624	\$ 18,273,628	\$ 18,491,046
Services & Supplies	10,840,813	12,410,538	13,659,081	14,273,348	15,589,156	14,514,201
Other Charges	5,794,476	6,543,900	7,146,058	7,723,172	8,969,884	7,770,337
Capital Assets	1,346,599	1,486,108	1,847,405	2,192,581	2,029,921	1,914,802
Other Financing Uses	877,986	942,102	1,084,815	1,085,319	563,286	1,159,666
Appropriations for Contingencies	25,119	77,191	77,376	62,732	51,360	53,964
Interbudget Transfers <sup>1</sup>	(2,363,930)	(2,413,443)	(3,059,977)	(3,432,077)	(3,260,697)	(3,615,955)
Gross Appropriation	\$ 31,548,418	\$ 35,090,725	\$ 37,739,419	\$ 39,944,699	\$ 42,216,538	\$ 40,288,061
Less: Intrafund Transfers	1,894,352	1,985,472	1,972,104	2,093,217	2,208,304	1,973,763
Net Appropriation	\$ 29,654,066	\$ 33,105,253	\$ 35,767,315	\$ 37,851,482	\$ 40,008,234	\$ 38,314,298
<b>Provision for Obligated Fund Balance</b>						
General Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Assigned for Rainy Day Funds	13,929	96,490	116,135	93,545	60,996	-
Committed Fund Balance	214,048	131,581	50,372	49,822	27,383	4,702
<b>Total Financing Requirements</b>	<b>\$ 29,882,043</b>	<b>\$ 33,333,324</b>	<b>\$ 35,933,822</b>	<b>\$ 37,994,849</b>	<b>\$ 40,096,613</b>	<b>\$ 38,319,000</b>
<b>Available Financing</b>						
Fund Balance	\$ 2,437,598	\$ 3,177,971	\$ 3,764,489	\$ 4,216,065	\$ 4,026,892	\$ 3,516,375
Cancel Provision for Obligated Fund Balance	359,685	222,647	395,690	587,613	1,098,684	759,567
Property Taxes: Regular Roll	6,531,284	7,104,477	7,547,149	7,887,540	8,192,748	8,505,281
Supplemental Roll	55,155	59,331	60,334	64,785	60,767	61,163
Revenue	20,498,321	22,768,898	24,166,160	25,238,846	26,717,522	25,476,614
<b>Total Available Financing</b>	<b>\$ 29,882,043</b>	<b>\$ 33,333,324</b>	<b>\$ 35,933,822</b>	<b>\$ 37,994,849</b>	<b>\$ 40,096,613</b>	<b>\$ 38,319,000</b>

<sup>1</sup> This amount includes certain non-program expenditures and revenues that are included in the budget for accounting purposes. Failure to exclude such amounts, totaling \$3.6 billion in 2026-27, from the above table would give the impression that there are more resources than are actually available and artificially inflate General County appropriations to \$41.9 billion.

Source: Chief Executive Office

**COUNTY OF LOS ANGELES  
GENERAL COUNTY BUDGET  
COMPARISON OF 2025-26 FINAL ADOPTED BUDGET TO 2026-27 RECOMMENDED BUDGET  
Net Appropriation: By Function  
(In thousands)**

<b>Function</b>	<b>2025-26 Final <sup>(1)</sup></b>	<b>2026-27 Recommended <sup>(2)</sup></b>	<b>Difference</b>	<b>Percentage Difference</b>
<b>REQUIREMENTS</b>				
General				
General Government	\$ 2,516,469.0	\$ 1,541,208.0	\$ (975,261.0)	-38.76%
General Services	2,351,714.0	2,665,645.0	313,931.0	13.35%
Public Buildings	1,881,180.0	1,814,610.0	(66,570.0)	-3.54%
<b>Total General</b>	<b>\$ 6,749,363.0</b>	<b>\$ 6,021,463.0</b>	<b>\$ (727,900.0)</b>	<b>-10.78%</b>
Public Protection				
Justice	\$ 6,740,429.0	\$ 6,623,900.0	\$ (116,529.0)	-1.73%
Other Public Protection	418,998.0	354,261.0	(64,737.0)	-15.45%
<b>Total Public Protection</b>	<b>\$ 7,159,427.0</b>	<b>\$ 6,978,161.0</b>	<b>\$ (181,266.0)</b>	<b>-2.53%</b>
Health and Sanitation	14,218,753.0	13,790,105.0	(428,648.0)	-3.01%
Public Assistance	10,377,027.0	10,127,529.0	(249,498.0)	-2.40%
Recreation and Cultural Services	504,875.0	483,165.0	(21,710.0)	-4.30%
Education	48,617.0	43,548.0	(5,069.0)	-10.43%
Other	729,627.0	736,503.0	6,876.0	0.94%
Insurance and Loss Reserve	169,185.0	79,860.0	(89,325.0)	-52.80%
Provision for Obligated Fund Balance	88,379.0	4,702.0	(83,677.0)	-94.68%
Appropriations for Contingencies	51,360.0	53,964.0	2,604.0	5.07%
<b>Total Requirements</b>	<b>\$ 40,096,613.0</b>	<b>\$ 38,319,000.0</b>	<b>\$ (1,777,613.0)</b>	<b>-4.43%</b>
<b>AVAILABLE FUNDS</b>				
Property Taxes	\$ 8,253,515.0	\$ 8,566,444.0	\$ 312,929.0	3.79%
Fund Balance	4,026,892.0	3,516,375.0	(510,517.0)	-12.68%
Cancelled Prior-Year Reserves	1,098,684.0	759,567.0	(339,117.0)	-30.87%
Intergovernmental Revenues				
State Revenues				
In-Lieu Taxes	\$ 465,867.0	\$ 465,867.0	\$ -	0.00%
Homeowners' Exemption	19,000.0	17,000.0	(2,000.0)	-10.53%
Public Assistance Subventions	1,987,715.0	1,935,852.0	(51,863.0)	-2.61%
Other Public Assistance	3,059,714.0	2,956,459.0	(103,255.0)	-3.37%
Public Protection	1,913,779.0	1,819,469.0	(94,310.0)	-4.93%
Health and Mental Health	2,489,076.0	2,467,993.0	(21,083.0)	-0.85%
Capital Projects	256,450.0	350,912.0	94,462.0	36.83%
Other State Revenues	210,191.0	164,317.0	(45,874.0)	-21.82%
<b>Total State Revenues</b>	<b>\$ 10,401,792.0</b>	<b>\$ 10,177,869.0</b>	<b>\$ (223,923.0)</b>	<b>-2.15%</b>
Federal Revenues				
Public Assistance Subventions	\$ 3,305,223.0	\$ 3,308,545.0	\$ 3,322.0	0.10%
Other Public Assistance	208,788.0	198,875.0	(9,913.0)	-4.75%
Public Protection	83,701.0	81,504.0	(2,197.0)	-2.62%
Health and Mental Health	2,055,715.0	2,197,732.0	142,017.0	6.91%
Capital Projects	11,430.0	3,426.0	(8,004.0)	-70.03%
Other Federal Revenues	125,937.0	98,129.0	(27,808.0)	-22.08%
<b>Total Federal Revenues</b>	<b>\$ 5,790,794.0</b>	<b>\$ 5,888,211.0</b>	<b>\$ 97,417.0</b>	<b>1.68%</b>
Other Governmental Agencies	65,839.0	37,301.0	(28,538.0)	-43.35%
<b>Total Intergovernmental Revenues</b>	<b>\$ 16,258,425.0</b>	<b>\$ 16,103,381.0</b>	<b>\$ (155,044.0)</b>	<b>-0.95%</b>
Fines, Forfeitures and Penalties	147,499.0	147,946.0	447.0	0.30%
Licenses, Permits and Franchises	88,295.0	90,505.0	2,210.0	2.50%
Charges for Services	8,557,024.0	6,838,546.0	(1,718,478.0)	-20.08%
Other Taxes	229,786.0	230,696.0	910.0	0.40%
Use of Money and Property	480,296.0	482,496.0	2,200.0	0.46%
Miscellaneous Revenues	516,366.0	1,264,141.0	747,775.0	144.81%
Operating Contribution from General Fund	439,831.0	318,903.0	(120,928.0)	-27.49%
<b>Total Available Funds</b>	<b>\$ 40,096,613.0</b>	<b>\$ 38,319,000.0</b>	<b>\$ (1,777,613.0)</b>	<b>-4.43%</b>

(1) Reflects the 2025-26 Final Adopted General County Budget approved by the Board of Supervisors on September 30, 2025

(2) Reflects the 2026-27 Recommended General County Budget approved by the Board of Supervisors on April 14, 2026

**COUNTY OF LOS ANGELES**  
**FINAL ADOPTED BUDGET 2025-26 GENERAL COUNTY BUDGET <sup>(1)</sup>**  
**Net Appropriation: By Fund and Function**  
**(In thousands)**

Function	General Fund	Hospital Enterprise Fund	Total General County
<b>REQUIREMENTS</b>			
General			
General Government	\$ 2,516,469.0	\$ -	\$ 2,516,469.0
General Services	2,351,714.0	-	2,351,714.0
Public Buildings	1,881,180.0	-	1,881,180.0
Total General	\$ 6,749,363.0	\$ -	\$ 6,749,363.0
Public Protection			
Justice	\$ 6,740,429.0	\$ -	\$ 6,740,429.0
Other Public Protection	418,998.0	-	418,998.0
Total Public Protection	\$ 7,159,427.0	\$ -	\$ 7,159,427.0
Health and Sanitation	\$ 8,378,540.0	\$ 5,840,213.0	\$ 14,218,753.0
Public Assistance	10,377,027.0	-	10,377,027.0
Recreation and Cultural Services	504,875.0	-	504,875.0
Education	48,617.0	-	48,617.0
Other	729,627.0	-	729,627.0
Insurance and Loss Reserve	169,185.0	-	169,185.0
Provision for Obligated Fund Balance	88,379.0	-	88,379.0
Appropriation for Contingency	51,360.0	-	51,360.0
<b>Total Requirements</b>	<b>\$ 34,256,400.0</b>	<b>\$ 5,840,213.0</b>	<b>\$ 40,096,613.0</b>
<b>AVAILABLE FUNDS</b>			
Property Taxes	\$ 8,253,515.0	\$ -	\$ 8,253,515.0
Fund Balance	4,026,892.0	-	4,026,892.0
Cancel Provision for Obligated Fund Balance	1,098,684.0	-	1,098,684.0
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	\$ 465,867.0	\$ -	\$ 465,867.0
Homeowners' Exemption	19,000.0	-	19,000.0
Public Assistance Subventions	1,987,715.0	-	1,987,715.0
Other Public Assistance	3,059,714.0	-	3,059,714.0
Public Protection	1,913,779.0	-	1,913,779.0
Health and Mental Health	2,396,978.0	92,098.0	2,489,076.0
Capital Projects	256,450.0	-	256,450.0
Other State Revenues	210,191.0	-	210,191.0
Total State Revenues	10,309,694.0	92,098.0	10,401,792.0
Federal Revenues			
Public Assistance Subventions	\$ 3,305,223.0	\$ -	\$ 3,305,223.0
Other Public Assistance	208,788.0	-	208,788.0
Public Protection	83,701.0	-	83,701.0
Health and Mental Health	2,054,624.0	1,091.0	2,055,715.0
Capital Projects	11,430.0	-	11,430.0
Other Federal Revenues	125,937.0	-	125,937.0
Total Federal Revenues	\$ 5,789,703.0	\$ 1,091.0	\$ 5,790,794.0
Other Governmental Agencies	65,839.0	-	65,839.0
Total Intergovernmental Revenues	\$ 16,165,236.0	\$ 93,189.0	\$ 16,258,425.0
Fines, Forfeitures and Penalties	147,482.0	17.0	147,499.0
Licenses, Permits and Franchises	88,169.0	126.0	88,295.0
Charges for Services	3,570,863.0	4,986,161.0	8,557,024.0
Other Taxes	229,786.0	-	229,786.0
Use of Money and Property	458,435.0	21,861.0	480,296.0
Miscellaneous Revenues	217,338.0	299,028.0	516,366.0
Operating Contribution from General Fund	-	439,831.0	439,831.0
<b>Total Available Funds</b>	<b>\$ 34,256,400.0</b>	<b>\$ 5,840,213.0</b>	<b>\$ 40,096,613.0</b>

(1) Reflects the 2025-26 Final Adopted General County Budget approved by the Board of Supervisors on September 30, 2025

**COUNTY OF LOS ANGELES**  
**RECOMMENDED BUDGET 2026-27 GENERAL COUNTY BUDGET <sup>(1)</sup>**  
**Net Appropriation: By Fund and Function**  
**(In thousands)**

Function	General Fund	Hospital Enterprise Fund	Total General County
<b>REQUIREMENTS</b>			
General			
General Government	\$ 1,541,208.0	\$ -	\$ 1,541,208.0
General Services	2,665,645.0	-	2,665,645.0
Public Buildings	1,814,610.0	-	1,814,610.0
Total General	\$ 6,021,463.0	\$ -	\$ 6,021,463.0
Public Protection			
Justice	\$ 6,623,900.0	\$ -	\$ 6,623,900.0
Other Public Protection	354,261.0	-	354,261.0
Total Public Protection	\$ 6,978,161.0	\$ -	\$ 6,978,161.0
Health and Sanitation	\$ 8,006,223.0	\$ 5,783,882.0	\$ 13,790,105.0
Public Assistance	10,127,529.0	-	10,127,529.0
Recreation and Cultural Services	483,165.0	-	483,165.0
Education	43,548.0	-	43,548.0
Other	736,503.0	-	736,503.0
Insurance and Loss Reserve	79,860.0	-	79,860.0
Provision for Obligated Fund Balance	4,702.0	-	4,702.0
Appropriation for Contingency	53,964.0	-	53,964.0
<b>Total Requirements</b>	<b>\$ 32,535,118.0</b>	<b>\$ 5,783,882.0</b>	<b>\$ 38,319,000.0</b>
<b>AVAILABLE FUNDS</b>			
Property Taxes	\$ 8,566,444.0	\$ -	\$ 8,566,444.0
Fund Balance	3,516,375.0	-	3,516,375.0
Cancel Provision for Obligated Fund Balance	15,947.0	743,620.0	759,567.0
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	\$ 465,867.0	\$ -	\$ 465,867.0
Homeowners' Exemption	17,000.0	-	17,000.0
Public Assistance Subventions	1,935,852.0	-	1,935,852.0
Other Public Assistance	2,956,459.0	-	2,956,459.0
Public Protection	1,819,469.0	-	1,819,469.0
Health and Mental Health	2,378,688.0	89,305.0	2,467,993.0
Capital Projects	350,912.0	-	350,912.0
Other State Revenues	164,317.0	-	164,317.0
Total State Revenues	10,088,564.0	89,305.0	10,177,869.0
Federal Revenues			
Public Assistance Subventions	\$ 3,308,545.0	\$ -	\$ 3,308,545.0
Other Public Assistance	198,875.0	-	198,875.0
Public Protection	81,504.0	-	81,504.0
Health and Mental Health	2,196,641.0	1,091.0	2,197,732.0
Capital Projects	3,426.0	-	3,426.0
Other Federal Revenues	98,129.0	-	98,129.0
Total Federal Revenues	\$ 5,887,120.0	\$ 1,091.0	\$ 5,888,211.0
Other Governmental Agencies	37,301.0	-	37,301.0
Total Intergovernmental Revenues	\$ 16,012,985.0	\$ 90,396.0	\$ 16,103,381.0
Fines, Forfeitures and Penalties	147,946.0	-	147,946.0
Licenses, Permits and Franchises	90,379.0	126.0	90,505.0
Charges for Services	3,270,608.0	3,567,938.0	6,838,546.0
Other Taxes	230,696.0	-	230,696.0
Use of Money and Property	460,635.0	21,861.0	482,496.0
Miscellaneous Revenues	223,103.0	1,041,038.0	1,264,141.0
Operating Contribution from General Fund	-	318,903.0	318,903.0
<b>Total Available Funds</b>	<b>\$ 32,535,118.0</b>	<b>\$ 5,783,882.0</b>	<b>\$ 38,319,000.0</b>

(1) Reflects the 2026-27 Recommended General County Budget approved by the Board of Supervisors on April 14, 2026

# 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 countywide 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 2025-26 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 \$63,924,826,750, which constitutes only TBD% of the total full cash value for the entire County.

Taxpayer	Total Tax Levy 2025-26
SOUTHERN CALIFORNIA EDISON CO	\$ 195,325,584
SOUTHERN CALIFORNIA GAS COMPANY	74,159,386
REXFORD INDUSTRIAL	70,690,251
TESORO REFINING AND MARKETING CO	53,019,236
PINCAY RE LLC	46,547,278
UNIVERSAL STUDIOS LLC	40,076,330
TISHMAN SPEYER / ARCHSTONE SMITH / ASN	38,300,856
DOUGLAS EMMETT RESIDENTIAL	36,279,904
CHEVRON USA INC	36,016,845
EQR / ERP LIMITED	35,791,272
PROLOGIS / AMB	22,839,691
ESSEX PORTFOLIO LP	20,917,540
PHILLIPS 66 COMPANY	19,233,208
DUKE REALTY LP	19,170,428
FSP SOUTH FLOWER STREET	17,305,206
MURPHYS BOWL LLC	16,256,671
BEACON OIL CO / ULTRAMAR / VALERO ENERGY CORPOR	15,232,047
PINCAY RE LLC LESSOR STADCO LA	14,416,381
CENTURY CITY MALL LLC	14,267,968
HAGER PACIFIC ACQUISITIONS LLC	14,157,593
	<b>\$ 800,003,675</b>

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 Year 2021-22 to Fiscal Year 2025-26.

COUNTY OF LOS ANGELES  
 COMPARISON OF FULL CASH VALUE  
 PROPERTY TAXATION AND COLLECTIONS  
 FISCAL YEARS 2021-22 THROUGH 2025-26

Fiscal Year	Full Cash Value <sup>(1)</sup>	General Fund Secured Property Tax Levies	General Fund Secured Property Tax Collections <sup>(2)</sup>	Current Collection As a Percent of Levies %
2021-22	1,708,149,256,743	4,123,258,603	4,059,314,940	98.45%
2022-23	1,826,210,292,243	4,404,079,935	4,333,441,881	98.40%
2023-24	1,931,399,894,780	4,674,105,893	4,593,626,211	98.28%
2024-25	2,024,939,188,910	4,899,018,132	4,775,587,893	97.48%
2025-26	TDB	TDB	TDB <sup>(3)</sup>	TDB

- (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 2056-26 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 from Fiscal Year 2021-22 to Fiscal Year 2025-26.

COMMUNITY REDEVELOPMENT AGENCY (CRA)  
 PROJECTS IN THE COUNTY OF LOS ANGELES  
 FULL CASH VALUE AND TAX ALLOCATIONS  
 FISCAL YEARS 2021-22 THROUGH 2025-26

Fiscal Year	Full Cash Value Increments <sup>(1)</sup>	Total Tax Allocations <sup>(2)</sup>
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	2,535,710,481
2024-25	297,690,814,821	2,695,675,331
2025-26	312,536,677,141	2,207,441,223 <sup>(3)</sup>

- (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 2025 through April 2026.

**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.

**2025-26 Tax and Revenue Anticipation Notes**

Pursuant to California law and a resolution adopted by the Board of Supervisors on May 13, 2025, the County issued the 2025-26 TRANs with an aggregate principal amount of \$700,000,000 on July 1, 2025. The 2025-26 TRANs, which will mature on June 30, 2026, are general obligations of the County attributable to Fiscal Year 2025-26 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 2025-26, 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 2025-26 for the purpose of repaying the 2025-26 TRANs on the June 30, 2026 maturity date. The deposits to the Repayment Fund have been made in accordance with the following schedule:

COUNTY OF LOS ANGELES	
2025-26 TAX AND REVENUE ANTICIPATION NOTES	
SCHEDULE OF DEPOSITS TO REPAYMENT FUND*	
Deposit Date	Deposit Amount
December, 2025	\$ 315,000,000
January, 2026	315,000,000
April, 2026	104,902,778
<b>Total</b>	<b>\$ 734,902,778</b>

\* Includes \$700,000,000 of 2025-26 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 2020-21 to Fiscal Year 2024-25.

COUNTY OF LOS ANGELES  
GENERAL FUND  
UNRESTRICTED GENERAL FUND RECEIPTS (in thousands)

	2020-21	2021-22	2022-23	2023-24	2024-25
Property Taxes	\$ 6,632,057	\$ 6,757,307	\$ 7,488,759	\$ 7,793,678	\$ 8,097,521
Other Taxes	227,840	293,548	271,809	250,207	229,866
Licenses, Permits and Franchises	65,989	71,281	73,784	86,508	87,981
Fines, Forfeitures and Penalties	147,618	166,194	175,622	193,565	192,511
Investment and Rental Income	143,986	149,077	362,993	616,392	657,933
Motor Vehicle (VLF)	(101,848)	407,236	364,801	381,298	473,374
State Homeowner Exemptions	18,382	18,419	18,299	17,718	17,438
Charges for Current Services	3,042,996	2,606,320	2,832,406	2,873,769	3,093,427
Other Revenue*	1,525,749	1,264,482	1,504,348	1,603,064	2,360,877
<b>TOTAL UNRESTRICTED RECEIPTS</b>	<b>\$ 11,702,769</b>	<b>\$ 11,733,864</b>	<b>\$ 13,092,821</b>	<b>\$ 13,816,199</b>	<b>\$ 15,210,928</b>

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 2024-25 and Fiscal Year 2025-26.

## General Fund Cash Flow Statements

The Fiscal Year 2024-25 and Fiscal Year 2025-26 General Fund Cash Flow Statements are provided at the end of this Financial Summary Section. In Fiscal Year 2023-24, the County had an ending General Fund cash balance of \$4.937 billion. For Fiscal Year 2024-25, the County had an ending General Fund cash balance of \$5.372 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 28, 2026, 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	\$ 24.350
Schools and Community Colleges	28.136
Discretionary Participants	3.536
<b>Total</b>	<b>\$ 56.022</b>

Of these entities, the discretionary participants accounted for 6.31% 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 Tax Collector and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 11, 2025, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer and Tax Collector 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 March 31, 2026, the February 28, 2026 book value of the Treasury Pool was approximately \$56.022 billion and the corresponding market value was approximately \$54.970 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (External Auditor) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the

approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of February 28, 2026:

<b>Type of Investment</b>	<b>% of Pool</b>
Certificates of Deposit	3.84
U.S. Government and Agency Obligations	65.81
Bank Acceptances	0.00
Commercial Paper	30.32
Municipal Obligations	0.03
Corporate Notes & Deposit Notes	0.00
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00

The Treasury Pool is highly liquid. As of February 28, 2026, approximately 41.97% of the investments mature within 60 days, with an average of 374 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, 2025, 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 2025-26 Final Adopted Budget included an available General Fund balance of \$4,026,893,000 as of June 30, 2025.

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 2024-25 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, 2025.

The tables below provide a reconciliation of the General Fund’s June 30, 2025 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 2020-21 to Fiscal Year 2024-25.

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COUNTY OF LOS ANGELES  
GENERAL FUND  
RECONCILIATION OF FUND BALANCE FROM BUDGETARY TO GAAP BASIS  
JUNE 30, 2025 (in thousands of \$)

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Unassigned Fund Balance - Budgetary Basis	\$4,026,893
Adjustments:	
Accrual of budgetary liabilities for litigation and self-insurance claims not required by GAAP	384,391
Change in receivables for health insurers rebates held in LACERA OPEB Custodial Fund	272,872
Accrual of liabilities for accrued compensated absences not required by GAAP	121,014
Change in revenue accruals	(132,522)
Deferral of property tax receivables	(125,143)
Deferral of sale of tobacco settlement revenue	(167,386)
Change in fair value of Investments	(310,542)
Nonspendable long-term receivable	(55,526)
Reserve for "Rainy Day" Fund	1,077,171
	<hr/>
Unassigned Fund Balance - GAAP Basis	\$5,091,222

Source: Los Angeles County Auditor-Controller

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**COUNTY OF LOS ANGELES**  
**BALANCE SHEET AT JUNE 30, 2021, 2022, 2023, 2024, and 2025**  
**GENERAL FUND-GAAP BASIS (in thousands of \$)**

**ASSETS**

	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Pooled Cash and Investments	\$ 7,656,800	\$ 9,550,790	\$ 9,934,126	\$ 10,919,737	\$ 11,138,386
Other Investments	3,351	2,988	2,588	2,152	1,679
Taxes Receivable	243,220	262,404	273,191	305,769	368,091
Lease Receivable*		1,864,647	1,833,620	1,846,351	1,815,135
Other Receivables	3,415,900	3,469,989	3,829,493	4,191,626	4,103,174
Due from Other Funds	600,132	875,872	836,933	1,132,681	1,198,820
Advances to Other Funds	18,084	18,221	17,738	17,806	17,951
Inventories	117,370	163,736	137,240	142,429	130,601
<b>Total Assets</b>	<b>\$ 12,054,857</b>	<b>\$ 16,208,647</b>	<b>\$ 16,864,929</b>	<b>\$ 18,558,551</b>	<b>\$ 18,773,837</b>

**LIABILITIES**

Accounts Payable	\$ 684,009	\$ 627,573	\$ 712,573	\$ 762,224	\$ 750,495
Accrued Payroll	481,556	489,407	523,652	555,409	580,917
Other Payables	94,890	31,838	163,099	27,020	58,661
Due to Other Funds	489,473	346,213	345,155	619,244	224,408
Advances Payable	4,500,312	6,225,152	5,979,531	6,224,093	6,245,067
Third-Party Payor Liability	181,002	289,706	195,652	215,649	269,476
<b>Total Liabilities</b>	<b>\$ 6,431,242</b>	<b>\$ 8,009,889</b>	<b>\$ 7,919,662</b>	<b>\$ 8,403,639</b>	<b>\$ 8,129,024</b>

**DEFERRED INFLOWS OF RESOURCES** \$ 689,891 \$ 2,581,104 \$ 2,462,210 \$ 2,462,203 \$ 2,538,578

**FUND BALANCES**

Nonspendable	\$ 225,233	\$ 284,841	\$ 263,367	\$ 293,753	\$ 279,851
Restricted	55,061	64,516	77,629	88,654	92,666
Committed	597,337	759,944	832,792	1,070,313	1,403,913
Assigned	790,573	774,267	1,028,770	1,345,188	1,238,583
Unassigned	3,265,520	3,734,086	4,280,499	4,894,801	5,091,222
<b>Total Fund Balances</b>	<b>\$ 4,933,724</b>	<b>\$ 5,617,654</b>	<b>\$ 6,483,057</b>	<b>\$ 7,692,709</b>	<b>\$ 8,106,235</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 12,054,857</b>	<b>\$ 16,208,647</b>	<b>\$ 16,864,929</b>	<b>\$ 18,558,551</b>	<b>\$ 18,773,837</b>

Sources: Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021, 2022, 2023, 2024, and 2025.

\*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 2020-21 THROUGH 2024-25 (in thousands of \$)**

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>REVENUES:</b>					
Taxes	\$ 6,894,825	\$ 7,161,038	\$ 7,643,986	\$ 8,022,298	\$8,362,111
Licenses, Permits & Franchises	63,193	70,654	72,609	85,169	84,193
Fines, Forfeitures and Penalties	163,163	173,404	176,923	187,773	194,420
Use of Money and Property	77,633	(176,046)	369,173	704,543	821,010
Aid from Other Government	12,957,099	12,664,511	13,804,835	14,665,512	15,468,995
Charges for Services	2,909,960	2,728,979	2,908,286	3,352,030	3,115,813
Miscellaneous Revenues	217,269	240,128	245,625	246,157	306,481
<b>TOTAL</b>	<b>\$ 23,283,142</b>	<b>\$ 22,862,668</b>	<b>\$ 25,221,437</b>	<b>\$ 27,263,482</b>	<b>\$ 28,353,023</b>
<b>EXPENDITURES</b>					
General	\$ 1,807,937	\$ 1,193,470	\$ 1,870,449	\$ 2,021,666	\$2,457,743
Public Protection	6,149,194	6,330,770	6,720,622	7,035,302	7,352,778
Health and Sanitation	5,968,030	6,380,309	6,468,543	7,501,812	9,004,851
Public Assistance	7,898,985	7,555,772	8,549,336	8,938,477	9,424,888
Recreation and Cultural Services	398,537	427,224	477,197	488,624	536,467
Debt Service	31,172	143,214	186,397	217,622	234,794
Capital Outlay	1,134	58,841	341,816	192,659	331,174
<b>Total</b>	<b>\$ 22,254,989</b>	<b>\$ 22,089,600</b>	<b>\$ 24,614,360</b>	<b>\$ 26,396,162</b>	<b>\$ 29,342,695</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,028,153</b>	<b>\$ 773,068</b>	<b>\$ 607,077</b>	<b>\$ 867,320</b>	<b>\$ (989,672)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers from (to)					
Other Funds-Net	\$ (616,679)	\$ (149,735)	\$ (84,670)	\$ 148,586	\$1,070,729
Sales of Capital Assets	2,312	1,756	1,180	1,087	1,295
Leases*	1,134	58,841	280,778	146,917	283,161
Subscriptions**			61,038	45,742	48,013
<b>OTHER FINANCING SOURCES (USES)-Net</b>	<b>\$ (613,233)</b>	<b>\$ (89,138)</b>	<b>\$ 258,326</b>	<b>\$ 342,332</b>	<b>\$ 1,403,198</b>
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	414,920	683,930	865,403	1,209,652	413,526
Beginning Fund Balance	4,518,804	4,933,724	5,617,654	6,483,057	7,692,709
<b>Ending Fund Balance</b>	<b>\$ 4,933,724</b>	<b>\$ 5,617,654</b>	<b>\$ 6,483,057</b>	<b>\$ 7,692,709</b>	<b>\$ 8,106,235</b>

Sources: Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021, 2022, 2023, 2024, and 2025.

\* The County implemented GASB 87-Leases in FY 2021-22. As of June 30, 2022, Leases Other Financing Uses is reported in the new GASB 87 format.

\*\* 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.

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**COUNTY OF LOS ANGELES BORROWABLE RESOURCES  
FUNDS AVAILABLE FOR INTRAFUND BORROWING**

**2024-25: 12 MONTHS ACTUAL  
2025-26: 9 MONTHS ACTUAL**

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**COUNTY OF LOS ANGELES BORROWABLE RESOURCES**

**AVERAGE DAILY BALANCES: Fiscal Year 2024-25**

**FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of \$)**

	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
<b>PROPERTY TAX GROUP</b>						
Tax Collector Trust Fund	\$ 115,593	\$ 92,230	\$ 44,084	\$ 840,626	\$ 2,354,667	\$ 5,328,627
Auditor Unapportioned Property Tax	374,882	212,123	201,117	315,779	1,959,301	2,813,398
Unsecured Property Tax	230,151	227,065	204,135	254,951	185,733	115,283
Miscellaneous Fees & Taxes	303	318	367	455	591	721
State Redemption Fund	43,285	72,101	67,383	57,508	51,240	45,732
Education Revenue Augmentation	17,240	80,365	19,292	375	24,247	642,670
State Reimbursement Fund	7	7	7	7	1,548	8,030
Vehicle License Fee Replacement Fund	0	15,881	163,119	183,200	183,545	209,025
Property Tax Rebate Fund	5,907	24,897	19,977	14,164	30,824	29,726
Utility User Tax Trust Fund	1,336	0	3,567	8,406	11,498	11,442
Subtotal	\$ 788,704	\$ 724,987	\$ 723,048	\$ 1,675,471	\$ 4,803,194	\$ 9,204,654
<b>VARIOUS TRUST GROUP</b>						
Departmental Trust Fund	\$ 798,045	\$ 658,323	\$ 623,925	\$ 652,308	\$ 638,717	\$ 650,631
Non-County Entities Trust Fund	67,367	73,564	69,787	66,690	69,217	67,744
Payroll Revolving Fund	60,266	58,031	73,837	59,872	53,656	80,920
Asset Development Fund	23,555	23,297	23,310	23,335	23,360	23,385
Productivity Investment Fund	7,133	7,395	7,203	8,090	9,407	9,305
Motor Vehicle Capital Outlays	5,699	5,105	4,776	4,375	3,579	3,579
Civic Center Parking	29	211	137	64	219	262
Reporters Salary Fund	523	462	1,031	969	230	256
Cable TV Franchise Fund	14,375	13,941	14,339	14,343	14,115	13,556
Megaflex Long-Term Disability	11,366	11,414	11,587	11,604	11,797	11,924
Megaflex Long-Term Disability & Health	17,208	17,323	17,448	17,544	17,653	17,768
Megaflex Short-Term Disability	97,776	98,534	99,299	99,928	100,374	101,387
Subtotal	\$ 1,103,342	\$ 967,600	\$ 946,679	\$ 959,122	\$ 942,324	\$ 980,717
<b>HOSPITAL GROUP</b>						
Harbor-UCLA Medical Center	\$ 65,910	\$ 27,799	\$ 32,791	\$ 152,430	\$ 119,278	\$ 36,280
Olive View-UCLA Medical Center	164,813	113,735	24,352	63,779	23,248	(4,142)
LAC+USC Medical Center	261,231	212,387	178,465	229,798	168,855	54,148
Rancho Los Amigos Rehab Center	76,488	74,464	146,753	151,276	106,409	35,959
Health Services - Harbor-UCLA Medical Center	185,122	185,824	186,390	186,863	187,541	187,772
Subtotal	\$ 753,564	\$ 614,209	\$ 568,751	\$ 784,146	\$ 605,331	\$ 310,017
<b>GRAND TOTAL</b>	<b>\$ 2,645,610</b>	<b>\$ 2,306,796</b>	<b>\$ 2,238,478</b>	<b>\$ 3,418,739</b>	<b>\$ 6,350,849</b>	<b>\$ 10,495,388</b>

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	
<b>PROPERTY TAX GROUP</b>						
\$ 1,090,420	\$ 598,108	\$ 1,145,474	\$ 3,283,260	\$ 1,163,382	\$ 222,381	<b>Tax Collector Trust Fund</b>
2,114,143	1,614,106	1,180,495	2,400,855	1,016,750	207,060	<b>Auditor Unapportioned Property Tax</b>
111,647	95,967	82,144	72,290	99,225	146,667	<b>Unsecured Property Tax</b>
858	933	662	683	768	801	<b>Miscellaneous Fees &amp; Taxes</b>
34,994	25,710	27,523	30,149	30,044	31,554	<b>State Redemption Fund</b>
725,677	113,747	26,928	552,931	185,210	259,899	<b>Education Revenue Augmentation</b>
14,308	604	604	1,503	17,427	7,212	<b>State Reimbursement Fund</b>
608,885	579,509	805,795	862,156	1,113,107	0	<b>Vehicle License Fee Replacement Fund</b>
45,311	45,270	38,407	52,466	110,507	104,786	<b>Property Tax Rebate Fund</b>
11,442	5,519	12,442	19,136	9,744	13,268	<b>Utility User Tax Trust Fund</b>
<b>\$ 4,757,685</b>	<b>\$ 3,079,473</b>	<b>\$ 3,320,474</b>	<b>\$ 7,275,429</b>	<b>\$ 3,746,164</b>	<b>\$ 993,628</b>	<b>Subtotal</b>
<b>VARIOUS TRUST GROUP</b>						
\$ 705,589	\$ 780,577	\$ 865,658	\$ 783,182	\$ 773,035	\$ 772,186	<b>Departmental Trust Fund</b>
59,086	67,090	73,339	74,074	77,042	73,417	<b>Non-County Entities Trust Fund</b>
61,700	69,345	64,091	58,346	50,532	65,119	<b>Payroll Revolving Fund</b>
23,408	23,425	23,445	24,022	24,086	24,095	<b>Asset Development Fund</b>
9,022	8,909	8,155	7,770	7,510	7,460	<b>Productivity Investment Fund</b>
3,547	2,927	2,909	2,692	2,106	2,106	<b>Motor Vehicle Capital Outlays</b>
205	259	161	96	131	199	<b>Civic Center Parking</b>
967	603	439	614	37	471	<b>Reporters Salary Fund</b>
13,581	13,455	13,661	13,782	13,686	13,878	<b>Cable TV Franchise Fund</b>
12,065	12,321	12,454	12,519	12,296	11,914	<b>Megaflex Long-Term Disability</b>
17,869	17,974	17,844	17,952	18,066	18,151	<b>Megaflex Long-Term Disability &amp; Health</b>
101,810	102,048	101,980	102,007	101,024	99,092	<b>Megaflex Short-Term Disability</b>
<b>\$ 1,008,849</b>	<b>\$ 1,098,933</b>	<b>\$ 1,184,136</b>	<b>\$ 1,097,056</b>	<b>\$ 1,079,551</b>	<b>\$ 1,088,088</b>	<b>Subtotal</b>
<b>HOSPITAL GROUP</b>						
\$ 30,319	\$ 10,086	\$ 1,910	\$ 214,474	\$ 282,941	\$ 224,064	<b>Harbor-UCLA Medical Center</b>
175,825	209,454	140,676	235,160	218,017	127,689	<b>Olive View-UCLA Medical Center</b>
9,769	20,280	(3,583)	171,769	273,410	343,409	<b>LAC+USC Medical Center</b>
174,261	229,774	179,751	198,482	215,282	145,020	<b>Rancho Los Amigos Rehab Center</b>
188,130	188,749	189,257	189,735	190,248	190,756	<b>Health Services - Harbor-UCLA Medical Center</b>
<b>\$ 578,304</b>	<b>\$ 658,343</b>	<b>\$ 508,011</b>	<b>\$ 1,009,620</b>	<b>\$ 1,179,898</b>	<b>\$ 1,030,938</b>	<b>Subtotal</b>
<b>\$ 6,344,838</b>	<b>\$ 4,836,749</b>	<b>\$ 5,012,621</b>	<b>\$ 9,382,105</b>	<b>\$ 6,005,613</b>	<b>\$ 3,112,654</b>	<b>GRAND TOTAL</b>

**COUNTY OF LOS ANGELES BORROWABLE RESOURCES**

**AVERAGE DAILY BALANCES: Fiscal Year 2025-26**

**FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of \$)**

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
<b>PROPERTY TAX GROUP</b>						
Tax Collector Trust Fund	\$ 125,455	\$ 76,078	\$ 22,666	\$ 832,658	\$ 2,563,546	\$ 4,967,518
Auditor Unapportioned Property Tax	383,216	281,053	181,542	277,588	1,924,199	3,247,546
Unsecured Property Tax	220,239	197,294	228,013	267,999	203,313	116,139
Miscellaneous Fees & Taxes	852	861	937	486	419	464
State Redemption Fund	52,139	69,681	93,211	98,851	56,193	44,129
Education Revenue Augmentation	11,782	59,360	4,995	0	26,365	673,315
State Reimbursement Fund	0	0	0	0	1,901	7,554
Vehicle License Fee Replacement Fund	922	28,577	171,354	176,412	176,412	254,589
Property Tax Rebate Fund	36,712	36,465	41,940	49,364	37,191	42,655
Utility User Tax Trust Fund	18,328	5,170	5,498	4,420	10,933	16,027
<b>Subtotal</b>	<b>\$ 849,645</b>	<b>\$ 754,539</b>	<b>\$ 750,156</b>	<b>\$ 1,707,778</b>	<b>\$ 5,000,472</b>	<b>\$ 9,369,936</b>
<b>VARIOUS TRUST GROUP</b>						
Departmental Trust Fund	\$ 837,889	\$ 830,135	\$ 848,582	\$ 1,002,570	\$ 1,014,573	\$ 979,216
Non-County Entities Trust Fund	75,566	77,131	75,208	75,103	76,942	75,167
Payroll Revolving Fund	55,435	56,595	57,440	55,020	58,182	57,634
Asset Development Fund	24,427	24,123	24,136	24,158	24,176	24,184
Productivity Investment Fund	6,752	6,816	6,335	6,268	5,956	5,504
Motor Vehicle Capital Outlays	1,757	940	896	866	777	771
Civic Center Parking	163	1,530	2,562	2,575	2,507	2,554
Reporters Salary Fund	858	800	290	665	194	577
Cable TV Franchise Fund	13,749	13,605	14,058	14,056	13,480	12,899
Megaflex Long-Term Disability	11,541	11,412	11,320	11,364	11,208	11,174
Megaflex Long-Term Disability & Health	18,277	18,364	18,472	18,580	18,688	18,749
Megaflex Short-Term Disability	97,219	95,257	93,558	91,718	89,659	87,870
<b>Subtotal</b>	<b>\$ 1,143,633</b>	<b>\$ 1,136,708</b>	<b>\$ 1,152,857</b>	<b>\$ 1,302,943</b>	<b>\$ 1,316,342</b>	<b>\$ 1,276,299</b>
<b>HOSPITAL GROUP</b>						
Harbor-UCLA Medical Center	\$ 141,560	\$ 55,395	\$ 34,984	\$ 219,121	\$ 167,059	\$ 112,467
Olive View-UCLA Medical Center	144,893	111,239	4,498	96,967	61,584	23,711
LAC+USC Medical Center	237,136	104,134	23,660	209,907	84,662	16,260
Rancho Los Amigos Rehab Center	199,699	118,645	27,888	38,340	20,123	13,434
Health Services - Harbor-UCLA Medical Center	191,056	190,598	187,673	185,156	182,540	181,960
<b>Subtotal</b>	<b>\$ 914,344</b>	<b>\$ 580,011</b>	<b>\$ 278,703</b>	<b>\$ 749,491</b>	<b>\$ 515,968</b>	<b>\$ 347,832</b>
<b>GRAND TOTAL</b>	<b>\$ 2,907,622</b>	<b>\$ 2,471,258</b>	<b>\$ 2,181,716</b>	<b>\$ 3,760,212</b>	<b>\$ 6,832,782</b>	<b>\$ 10,994,067</b>

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2026	February 2026	March 2026	Estimated April 2026	Estimated May 2026	Estimated June 2026	
<b>PROPERTY TAX GROUP</b>						
\$ 1,401,285	\$ 807,814	\$ 1,201,206	\$ 3,348,925	\$ 1,385,452	\$ 186,092	<b>Tax Collector Trust Fund</b>
2,109,772	1,482,086	1,329,286	2,448,872	956,925	208,537	<b>Auditor Unapportioned Property Tax</b>
113,342	97,211	85,942	73,736	69,328	142,932	<b>Unsecured Property Tax</b>
523	526	439	697	6,723	9,887	<b>Miscellaneous Fees &amp; Taxes</b>
32,501	31,191	29,519	30,752	21,581	28,172	<b>State Redemption Fund</b>
341,009	82,167	13,133	563,990	262,542	187,953	<b>Education Revenue Augmentation</b>
16,637	565	565	1,533	21,347	12,555	<b>State Reimbursement Fund</b>
1,187,319	626,416	814,358	879,399	800,902	0	<b>Vehicle License Fee Replacement Fund</b>
46,004	40,467	38,234	53,515	9,088	0	<b>Property Tax Rebate Fund</b>
21,513	5,627	7,708	19,519	12,648	12,713	<b>Utility User Tax Trust Fund</b>
<b>\$ 5,269,905</b>	<b>\$ 3,174,070</b>	<b>\$ 3,520,390</b>	<b>\$ 7,420,938</b>	<b>\$ 3,546,536</b>	<b>\$ 788,841</b>	<b>Subtotal</b>
<b>VARIOUS TRUST GROUP</b>						
\$ 911,971	\$ 884,872	\$ 911,520	\$ 798,846	\$ 506,600	\$ 560,105	<b>Departmental Trust Fund</b>
76,674	76,646	80,436	75,555	40,603	44,891	<b>Non-County Entities Trust Fund</b>
52,775	71,359	66,281	59,513	72,797	57,484	<b>Payroll Revolving Fund</b>
24,221	24,468	24,896	24,502	54,271	49,056	<b>Asset Development Fund</b>
5,373	5,184	4,957	7,925	8,610	6,690	<b>Productivity Investment Fund</b>
771	771	756	2,746	648	6,690	<b>Motor Vehicle Capital Outlays</b>
2,535	2,541	2,599	98	90	159	<b>Civic Center Parking</b>
517	424	577	626	588	461	<b>Reporters Salary Fund</b>
12,873	12,880	13,039	14,058	15,666	14,494	<b>Cable TV Franchise Fund</b>
11,269	11,502	11,543	12,769	12,017	16,605	<b>Megaflex Long-Term Disability</b>
18,854	18,959	18,853	18,311	14,496	10,375	<b>Megaflex Long-Term Disability &amp; Health</b>
87,057	87,457	85,145	104,047	72,864	48,286	<b>Megaflex Short-Term Disability</b>
<b>\$ 1,204,890</b>	<b>\$ 1,197,063</b>	<b>\$ 1,220,602</b>	<b>\$ 1,118,996</b>	<b>\$ 799,250</b>	<b>\$ 815,296</b>	<b>Subtotal</b>
<b>HOSPITAL GROUP</b>						
\$ 96,694	\$ 68,104	\$ 43,757	\$ 0	\$ 0	\$ 0	<b>Harbor-UCLA Medical Center</b>
391	21,909	14,901	0	0	0	<b>Olive View-UCLA Medical Center</b>
243,524	263,978	151,021	0	0	0	<b>LAC+USC Medical Center</b>
81,921	104,568	93,566	0	0	0	<b>Rancho Los Amigos Rehab Center</b>
182,279	182,443	182,340	0	0	0	<b>Health Services - Harbor-UCLA Medical Center</b>
<b>\$ 604,809</b>	<b>\$ 641,002</b>	<b>\$ 485,585</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>Subtotal</b>
<b>\$ 7,079,604</b>	<b>\$ 5,012,135</b>	<b>\$ 5,226,577</b>	<b>\$ 8,539,934</b>	<b>\$ 4,345,786</b>	<b>\$ 1,604,137</b>	<b>GRAND TOTAL</b>

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**COUNTY OF LOS ANGELES  
GENERAL FUND CASH FLOW STATEMENTS**

**2024-25: 12 MONTHS ACTUAL  
2025-26: 9 MONTHS ACTUAL**

**DRAFT**

**COUNTY OF LOS ANGELES**  
**GENERAL FUND CASH FLOW ANALYSIS**  
**FISCAL YEAR 2024-25**  
(in thousands of \$)

	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
<b>BEGINNING BALANCE</b>	\$ 4,937,094	\$ 5,538,503	\$ 5,046,461	\$ 4,796,103	\$ 4,180,968	\$ 3,214,753
<b>RECEIPTS</b>						
Property Taxes	\$ 50,670	\$ 177,695	\$ 0	\$ 0	\$ 72,236	\$ 1,943,308
Other Taxes	20,423	16,682	15,880	15,079	23,275	12,946
Licenses, Permits & Franchises	5,281	2,932	6,764	3,691	3,802	6,209
Fines, Forfeitures & Penalties	29,387	26,771	5,875	6,978	17,834	6,674
Investment and Rental Income	67,917	60,599	48,993	53,624	50,697	48,498
Motor Vehicle (VLF) Realignment	0	42,465	95,280	40,417	40,375	36,291
Sales Taxes - Proposition 172	96,691	72,667	73,031	76,044	88,789	73,794
1991 Program Realignment	101,586	2,572	156,833	83,648	91,353	79,900
Other Intergovernmental Revenue*	707,878	760,793	561,963	394,428	180,908	478,395
Charges for Current Services	335,861	379,832	188,120	283,556	198,971	149,767
Other Revenue & Tobacco Settlement	376,053	268,877	57,095	69,677	105,293	147,302
Transfers & Reimbursements	14,669	1,623	(132)	1,798	15,012	44,742
Hospital Loan Repayment**	0	0	0	0	0	0
Welfare Advances	549,040	190,391	828,605	635,691	465,629	549,433
Other Financing Sources/MHSA	338,933	21,129	0	14,432	78,144	45,914
Intrafund Borrowings	0	0	0	0	0	0
TRANS Sold	700,000	0	0	0	0	0
<b>Total Receipts</b>	<b>\$ 3,394,389</b>	<b>\$ 2,025,028</b>	<b>\$ 2,038,307</b>	<b>\$ 1,679,063</b>	<b>\$ 1,432,318</b>	<b>\$ 3,623,173</b>
<b>DISBURSEMENTS</b>						
Welfare Warrants	\$ 265,473	\$ 289,237	\$ 293,865	\$ 283,005	\$ 275,845	\$ 281,287
Salaries	665,289	681,601	664,657	671,598	695,396	708,274
Employee Benefits	442,253	468,509	492,640	457,427	492,711	534,555
Vendor Payments	1,226,438	735,232	787,096	803,280	810,618	978,931
Loans to Hospitals**	0	0	0	0	0	48,267
Hospital Subsidy Payments	(6,608)	284,905	1,798	(20,406)	89,931	9,223
Transfer Payments	200,135	57,586	48,609	99,294	34,032	34,444
TRANS Pledge Transfer	0	0	0	0	0	315,000
Intrafund Repayment	0	0	0	0	0	0
<b>Total Disbursements</b>	<b>\$ 2,792,980</b>	<b>\$ 2,517,070</b>	<b>\$ 2,288,665</b>	<b>\$ 2,294,198</b>	<b>\$ 2,398,533</b>	<b>\$ 2,909,981</b>
<b>ENDING BALANCE</b>	<b>\$ 5,538,503</b>	<b>\$ 5,046,461</b>	<b>\$ 4,796,103</b>	<b>\$ 4,180,968</b>	<b>\$ 3,214,753</b>	<b>\$ 3,927,945</b>
Borrowable Resources (Avg. Balance)	\$ 2,645,610	\$ 2,306,796	\$ 2,238,478	\$ 3,418,739	\$ 6,350,849	\$ 10,495,388
<b>Total Cash Available</b>	<b>\$ 8,184,113</b>	<b>\$ 7,353,257</b>	<b>\$ 7,034,581</b>	<b>\$ 7,599,707</b>	<b>\$ 9,565,602</b>	<b>\$ 14,423,333</b>

\* Includes COVID-19 Revenues

\*\* 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.

January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	Total 2024-25	
\$ 3,927,945	\$ 4,601,000	\$ 3,755,299	\$ 2,718,865	\$ 4,335,838	\$ 5,438,341		<b>BEGINNING BALANCE</b>
							<b>RECEIPTS</b>
\$ 1,960,012	\$ 248,128	\$ 16,936	\$ 1,494,680	\$ 1,634,025	\$ 499,831	\$ 8,097,521	Property Taxes
16,005	26,433	17,575	14,094	35,915	15,559	229,866	Other Taxes
5,043	4,520	17,049	26,213	1,471	5,006	87,981	Licenses, Permits & Franchises
7,356	23,931	17,151	6,808	37,249	6,497	192,511	Fines, Forfeitures & Penalties
40,007	61,347	54,106	48,030	61,705	62,410	657,933	Investment and Rental Income
56,508	41,313	37,232	42,819	0	40,674	473,374	Motor Vehicle (VLF) Realignment
75,363	102,449	67,945	64,053	91,945	72,913	955,684	Sales Taxes - Proposition 172
82,497	110,923	73,574	71,240	0	80,094	934,220	1991 Program Realignment
417,917	414,373	550,356	533,880	602,564	463,692	6,067,147	Other Intergovernmental Revenue*
200,804	97,737	118,279	692,896	244,578	203,026	3,093,427	Charges for Current Services
127,083	189,850	256,981	240,469	239,133	283,064	2,360,877	Other Revenue & Tobacco Settlement
3,897	7,408	21,754	4,499	38,842	31,710	185,822	Transfers & Reimbursements
48,267	53,399	17,099	354,048	0	0	472,813	Hospital Loan Repayment**
510,674	528,110	633,420	530,487	499,911	679,750	6,601,141	Welfare Advances
38,810	35,050	56,399	95,278	32,837	184,082	941,008	Other Financing Sources/MHSA
0	0	0	0	0	0	0	Intrafund Borrowings
0	0	0	0	0	0	700,000	TRANs Sold
\$ 3,590,243	\$ 1,944,971	\$ 1,955,856	\$ 4,219,494	\$ 3,520,175	\$ 2,628,308	\$ 32,051,325	Total Receipts
							<b>DISBURSEMENTS</b>
\$ 277,490	\$ 801,137	\$ 338,250	\$ 335,801	\$ 335,476	\$ 349,551	\$ 4,126,417	Welfare Warrants
775,182	716,514	685,584	711,772	674,354	695,220	8,345,441	Salaries
529,420	435,501	536,439	459,496	459,021	494,255	5,802,227	Employee Benefits
786,614	691,512	875,051	845,053	842,688	929,459	10,311,972	Vendor Payments
24,425	28,974	371,147	0	0	0	472,813	Loans to Hospitals**
97,703	50,643	151,051	(1,967)	0	99,427	755,700	Hospital Subsidy Payments
111,354	66,391	34,768	147,463	106,133	126,255	1,066,464	Transfer Payments
315,000	0	0	104,903	0	0	734,903	TRANs Pledge Transfer
0	0	0	0	0	0	0	Intrafund Repayment
\$ 2,917,188	\$ 2,790,672	\$ 2,992,290	\$ 2,602,521	\$ 2,417,672	\$ 2,694,167	\$ 31,615,937	Total Disbursements
<b>\$ 4,601,000</b>	<b>\$ 3,755,299</b>	<b>\$ 2,718,865</b>	<b>\$ 4,335,838</b>	<b>\$ 5,438,341</b>	<b>\$ 5,372,482</b>		<b>ENDING BALANCE</b>
\$ 6,344,838	\$ 4,836,749	\$ 5,012,621	\$ 9,382,105	\$ 6,005,613	\$ 3,112,654		Borrowable Resources (Avg. Balance)
<b>\$ 10,945,838</b>	<b>\$ 8,592,048</b>	<b>\$ 7,731,486</b>	<b>\$ 13,717,943</b>	<b>\$ 11,443,954</b>	<b>\$ 8,485,136</b>		<b>Total Cash Available</b>

**COUNTY OF LOS ANGELES**  
**GENERAL FUND CASH FLOW ANALYSIS**  
**FISCAL YEAR 2025-26**  
(in thousands of \$)

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
<b>BEGINNING BALANCE</b>	\$ 5,372,482	\$ 6,061,236	\$ 5,002,225	\$ 4,524,076	\$ 3,592,568	\$ 2,434,499
<b>RECEIPTS</b>						
Property Taxes	\$ 35,801	\$ 185,013	\$ (43)	\$ 0	\$ 74,436	\$ 2,018,559
Other Taxes	33,649	29,801	17,436	26,126	21,787	14,525
Licenses, Permits & Franchises	2,774	3,374	8,701	5,863	4,609	4,548
Fines, Forfeitures & Penalties	28,460	30,391	6,429	8,529	18,908	7,376
Investment and Rental Income	64,917	60,933	41,466	48,618	54,308	41,440
Motor Vehicle (VLF) Realignment	3,181	27,797	58,509	41,659	49,202	38,248
Sales Taxes - Proposition 172	94,212	76,131	74,397	76,287	91,007	75,835
1991 Program Realignment	24,483	12,634	80,981	83,926	99,066	77,769
Other Intergovernmental Revenue*	606,007	472,513	731,613	119,587	328,170	430,893
Charges for Current Services	508,003	92,225	142,013	338,496	81,727	330,299
Other Revenue & Tobacco Settlement	313,219	367,161	107,348	124,322	166,515	196,741
Transfers & Reimbursements	18,726	0	32	2,410	6,976	12,702
Hospital Loan Repayment**	0	0	0	0	0	0
Welfare Advances	579,257	341,918	690,022	543,655	514,327	641,811
Other Financing Sources/MHSA	396,090	0	0	519	34,072	117,190
Intrafund Borrowings	0	0	0	0	0	0
TRANS Sold	700,000	0	0	0	0	0
<b>Total Receipts</b>	<b>\$ 3,408,779</b>	<b>\$ 1,699,891</b>	<b>\$ 1,958,904</b>	<b>\$ 1,419,997</b>	<b>\$ 1,545,110</b>	<b>\$ 4,007,936</b>
<b>DISBURSEMENTS</b>						
Welfare Warrants	\$ 261,559	\$ 282,634	\$ 278,064	\$ 271,961	\$ 269,435	\$ 267,980
Salaries	702,754	689,235	689,953	689,342	975,124	705,907
Employee Benefits	465,349	474,673	517,199	481,797	502,983	552,964
Vendor Payments	1,125,445	872,173	922,667	831,770	894,748	901,401
Loans to Hospitals**	0	0	0	0	0	0
Hospital Subsidy Payments	0	279,780	8,819	(49,873)	44,913	0
Transfer Payments	164,918	160,407	20,351	126,508	15,976	454,274
TRANS Pledge Transfer	0	0	0	0	0	315,000
Intrafund Repayment	0	0	0	0	0	0
<b>Total Disbursements</b>	<b>\$ 2,720,025</b>	<b>\$ 2,758,902</b>	<b>\$ 2,437,053</b>	<b>\$ 2,351,505</b>	<b>\$ 2,703,179</b>	<b>\$ 3,197,526</b>
<b>ENDING BALANCE</b>	<b>\$ 6,061,236</b>	<b>\$ 5,002,225</b>	<b>\$ 4,524,076</b>	<b>\$ 3,592,568</b>	<b>\$ 2,434,499</b>	<b>\$ 3,244,909</b>
Borrowable Resources (Avg. Balance)	\$ 2,907,622	\$ 2,471,258	\$ 2,181,716	\$ 3,760,212	\$ 6,832,782	\$ 10,994,067
<b>Total Cash Available</b>	<b>\$ 8,968,858</b>	<b>\$ 7,473,483</b>	<b>\$ 6,705,792</b>	<b>\$ 7,352,780</b>	<b>\$ 9,267,281</b>	<b>\$ 14,238,976</b>

\* Includes COVID-19 Revenues

\*\* 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.

January 2026	February 2026	March 2026	Estimated April 2026	Estimated May 2026	Estimated June 2026	Total 2025-26	
\$ 3,244,909	\$ 4,133,807	\$ 4,157,499	\$ 2,551,254	\$ 3,137,232	\$ 3,628,028		<b>BEGINNING BALANCE</b>
							<b>RECEIPTS</b>
\$ 2,058,347	\$ 249,386	\$ 21,280	\$ 1,534,326	\$ 1,601,203	\$ 351,272	\$ 8,129,580	Property Taxes
14,777	40,615	14,257	6,999	9,057	8,280	237,309	Other Taxes
2,277	9,902	7,741	21,683	8,006	8,288	87,766	Licenses, Permits & Franchises
8,081	21,250	16,950	4,721	19,587	4,393	175,075	Fines, Forfeitures & Penalties
48,988	51,039	45,894	26,156	34,412	40,080	558,251	Investment and Rental Income
41,933	38,890	38,351	47,751	33,724	41,655	460,900	Motor Vehicle (VLF) Realignment
74,794	105,276	67,199	61,988	84,856	70,286	952,269	Sales Taxes - Proposition 172
82,261	114,598	73,152	80,279	92,519	94,982	916,651	1991 Program Realignment
288,074	682,782	593,474	392,403	499,711	397,343	5,542,570	Other Intergovernmental Revenue*
422,881	174,302	111,523	517,937	119,039	99,858	2,938,303	Charges for Current Services
383,416	35,233	78,520	136,166	75,345	97,162	2,081,147	Other Revenue & Tobacco Settlement
41,176	7,302	12,410	4,723	23,919	24,420	154,796	Transfers & Reimbursements
0	0	0	0	0	0	0	Hospital Loan Repayment**
536,789	592,485	563,405	506,056	463,978	602,299	6,576,001	Welfare Advances
42,785	66,628	87,573	82,630	79,219	87,639	994,345	Other Financing Sources/MHSA
0	0	0	0	0	0	0	Intrafund Borrowings
0	0	0	0	0	0	700,000	TRANs Sold
\$ 4,046,579	\$ 2,189,688	\$ 1,731,729	\$ 3,423,819	\$ 3,144,576	\$ 1,927,956	\$ 30,504,964	Total Receipts
							<b>DISBURSEMENTS</b>
\$ 267,476	\$ 260,550	\$ 871,003	\$ 352,267	\$ 352,808	\$ 433,131	\$ 4,168,868	Welfare Warrants
767,358	704,403	690,959	799,180	796,435	838,996	9,049,646	Salaries
502,884	484,795	559,533	549,391	494,753	533,742	6,120,063	Employee Benefits
780,037	749,669	1,105,454	884,005	875,388	891,872	10,834,628	Vendor Payments
0	0	0	0	0	0	0	Loans to Hospitals**
28,832	(64,152)	55,757	0	0	50,651	354,727	Hospital Subsidy Payments
496,094	30,731	55,268	148,095	134,396	494,978	2,301,995	Transfer Payments
315,000	0	0	104,903	0	0	734,903	TRANs Pledge Transfer
0	0	0	0	0	0	0	Intrafund Repayment
\$ 3,157,681	\$ 2,165,996	\$ 3,337,974	\$ 2,837,840	\$ 2,653,780	\$ 3,243,369	\$ 33,564,831	Total Disbursements
<b>\$ 4,133,807</b>	<b>\$ 4,157,499</b>	<b>\$ 2,551,254</b>	<b>\$ 3,137,232</b>	<b>\$ 3,628,028</b>	<b>\$ 2,312,615</b>		<b>ENDING BALANCE</b>
\$ 7,079,604	\$ 5,012,135	\$ 5,226,577	\$ 8,539,934	\$ 4,345,786	\$ 1,604,137		Borrowable Resources (Avg. Balance)
<b>\$ 11,213,411</b>	<b>\$ 9,169,634</b>	<b>\$ 7,777,831</b>	<b>\$ 11,677,166</b>	<b>\$ 7,973,814</b>	<b>\$ 3,916,752</b>		<b>Total Cash Available</b>

# 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, 2025, approximately \$3.003 billion of long-term obligations were outstanding. The General Fund is responsible for repayment of \$1.480 billion of the outstanding debt. Revenues from Special Districts/Special Funds, Courthouse Construction Funds, and Hospital Enterprise Funds secure the remaining \$1.523 billion of outstanding obligations.

The table below identifies the funding sources for the County's debt payments due in Fiscal Year 2025-26.

### COUNTY OF LOS ANGELES ADDITIONAL FUNDING SOURCES FOR REPAYMENT OF COUNTY INTERMEDIATE AND LONG-TERM OBLIGATIONS

#### 2025-26 Payments

Funding Source	2025-26 Payment
Total 2025-26 Payment Obligations	\$223,963,250
Less: Sources of Non-General Fund Entities:	
Hospital Enterprise Funds	102,077,664
Courthouse Construction Funds	14,968,875
Special Districts/Special Funds	3,139,219
<b>Net 2025-26 General Fund Obligations</b>	<b>\$103,777,492</b>

Source: Los Angeles County Auditor-Controller

As of May 1, 2026, the County has \$1.118 billion of outstanding short-term obligations, which includes \$700 million in TRANs, \$25 million in Bond Anticipation Notes, and \$393.113 million in Lease Revenue 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, 2026 (in thousands)

Type of Obligation	Outstanding Principal
Total County	
Short-Term Obligations:	
Tax and Revenue Anticipation Notes	\$700,000
Bond Anticipation Notes	25,000
Lease Revenue Notes	393,113
Long-Term Obligations	3,733,266
<b>Total Outstanding Principal</b>	<b>\$4,851,379</b>

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 13, 2025, the County issued \$700 million of TRANs for Fiscal Year 2025-26 on July 1, 2025. The 2025-26 TRANs will mature on June 30, 2026. 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 2025-26, in the amounts, and on the dates specified in the Financial Summary Section under the heading "2025-26 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, 2026, there are \$25.0 million of BANs outstanding.

### Lease Revenue Note Program

In July 2024, 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 \$750 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 Montreal (Series A - \$200 million); U.S. Bank (Series B - \$100 million); Bank of America (Series C - \$350 million) and Sumitomo Mitsui Banking Corporation (Series D - \$100 million). The maximum aggregate principal amount of \$750 million represents an increase of \$150 million from the previous Note Program. As of May 1, 2026, \$393.113 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, 2029, 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.

**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, 2025, \$3.003 billion of 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 2025-26 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 0.126% in Fiscal Year 2023-24 to 0.116% in Fiscal Year 2024-25. 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
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%
2024-25	2,439,131,795	2,094,000,000,000	0.116%

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 \$69.865 million as of May 1, 2026.

**Vermont Corridor Project**

The County, working in conjunction with the Los Angeles County Development Authority (previously known as the Community Development Commission of the County of Los Angeles), is developing County-owned property in the area known as the “Vermont Corridor” in the City of Los Angeles. The development plan for the Vermont Corridor Project includes three sites in the Vermont Corridor area: Site 1 – 400,00 square foot County office building and parking garage that serves as the headquarters facility for the Department of Mental Health; Site 2 – 243,000 square foot County administrative office building; and Site 3 – affordable senior housing.

In July 2018, the County financed construction of the Site 1 project with the issuance of \$302.380 million of lease revenue bonds (the “2018 Vermont Corridor Lease Revenue Bonds”) through a not-for-profit special purpose entity, Los Angeles County Facilities, Inc. (LACF), which served as the construction and facility manager for the project. Construction of the Site 1 facility was completed in October 2021. The development of Site 3, which was completed in March 2023, includes 72 units of high-quality affordable housing for seniors and an underground parking facility. In August 2024, the County issued \$212.135 million of lease revenue bonds (the “2024 Vermont Corridor 2 Lease Revenue Bonds”) through LACF2 to finance the construction of the Site 2 office building, which will house multiple County departments, including the Department of Public Health, Department of Children and Family Services, Department of Mental Health and the Department of Public Social Services. LACF2 will serve as the construction and facility manager for the Site 2 project. The 2018 Vermont Corridor Lease Revenue Bonds and the 2024 Vermont Corridor 2 Lease Revenue Bonds have a final maturity date of December 1, 2051 and June 1, 2057, respectively.

**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.

### 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 the 2021 Lease Revenue Bonds, Series F (the "2021 Series F Bonds") in the par amount of \$260.11 million, and the 2022 Lease Revenue Refunding Bonds, 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 generated approximately \$61.17 million or 21.0% net present value savings to the County General Fund, with 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.

### Harbor-UCLA Medical Center Lease Revenue Bonds

In September 2024, the County issued \$569.270 million of lease revenue bonds (the "2024 Series H Lease Revenue Bonds") to finance construction of Phase 1 of the new Harbor-UCLA Medical Center replacement hospital (the "Project") and to fully refund the previously outstanding 2015 Series A Lease Revenue Bonds (the "2015 Series A Bonds"). The total proceeds from the sale of the Series H Lease Revenue Bonds were allocated to refund \$131.7 of 2015 Series A Bonds; refinance \$85.2 of outstanding commercial paper notes; provide \$433.0 million of new money proceeds to complete Phase I of the Project; and to pay the costs of issuance of the transaction. Phase I of the Project includes a support services building, parking structure, regional laboratory building, outpatient support building and a central plant facility. The 2024 Series H Lease Revenue Bonds have a final maturity date of December 1, 2053. In September 2025, the County issued \$824.480 million of lease revenue bonds (the "2025 Series J Lease Revenue Bonds") to finance construction of Phase 2 of the Project. The total proceeds from the sale of the 2025 Series J Lease Revenue Bonds were allocated to refinance \$223.0 million of outstanding commercial paper notes; provide \$650.4 million of new money proceeds to complete the construction of a new inpatient tower for the Project; and to pay the costs of issuance of the transaction. The 2025 Series J Lease Revenue Bonds have a final maturity date of December 1, 2054.

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COUNTY OF LOS ANGELES  
DEBT SUMMARY TABLES

REPORTS AS OF JULY 1, 2025

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

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REPORTS AS OF MAY 1, 2026

SUMMARY OF OUTSTANDING GENERAL FUND AND SPECIAL FUND OBLIGATIONS

ESTIMATED OVERLAPPING DEBT STATEMENT

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**COUNTY OF LOS ANGELES  
COMBINED PRINCIPAL AND INTEREST OBLIGATIONS BY FUNDING SOURCE  
AS OF JULY 1, 2025**

Fiscal Year	Hospital		Courthouse	Special Districts	Total Annual Debt Service
	General Fund	Enterprise Fund	Construction Fund	/ Special Funds	
2025-26	\$ 103,777,492	\$ 102,077,664	\$ 14,968,875	\$ 3,139,219	\$ 223,963,250
2026-27	103,767,504	102,072,916	14,959,875	3,133,344	223,933,638
2027-28	106,861,431	102,071,013	14,947,750	3,134,469	227,014,663
2028-29	106,671,909	102,057,398	14,945,875	3,142,094	226,817,276
2029-30	106,554,854	102,058,013	14,937,625	3,126,469	226,676,961
2030-31	106,549,160	102,040,804	8,340,500	3,117,844	220,048,307
2031-32	106,539,057	102,026,318	8,336,375	3,135,219	220,036,969
2032-33	106,533,762	102,025,010	6,115,375	3,123,469	217,797,616
2033-34	106,529,316	102,022,538	6,119,250	3,122,844	217,793,947
2034-35	105,350,654	102,005,936	-	3,122,844	210,479,434
2035-36	105,342,749	101,987,934	-	3,123,219	210,453,902
2036-37	105,342,938	101,984,012	-	3,118,844	210,445,794
2037-38	105,331,744	101,973,012	-	3,124,344	210,429,100
2038-39	100,462,019	101,949,912	-	3,124,344	205,536,275
2039-40	100,465,169	101,942,236	-	3,125,519	205,532,924
2040-41	100,443,085	101,933,699	-	3,127,694	205,504,478
2041-42	79,832,256	71,638,813	-	3,123,313	154,594,381
2042-43	79,832,863	71,639,938	-	3,127,706	154,600,506
2043-44	79,835,588	55,857,563	-	1,600,331	137,293,481
2044-45	79,827,519	55,849,719	-	1,606,306	137,283,544
2045-46	72,110,213	55,853,375	-	926,456	128,890,044
2046-47	56,205,225	55,849,613	-	927,481	112,982,319
2047-48	56,214,013	55,856,634	-	925,425	112,996,072
2048-49	56,202,863	55,850,225	-	930,366	112,983,453
2049-50	56,207,563	55,854,488	-	924,103	112,986,153
2050-51	52,867,588	43,414,447	-	551,263	96,833,297
2051-52	32,222,388	43,414,525	-	552,153	76,189,066
2052-53	14,090,975	29,499,838	-	-	43,590,813
2053-54	14,093,200	29,501,700	-	-	43,594,900
2054-55	14,090,238	-	-	-	14,090,238
2055-56	14,090,775	-	-	-	14,090,775
2056-57	14,092,975	-	-	-	14,092,975
<b>Total</b>	<b>\$ 2,448,339,084</b>	<b>\$ 2,312,309,289</b>	<b>\$ 103,671,500</b>	<b>\$ 65,236,678</b>	<b>\$ 4,929,556,551</b>

**COUNTY OF LOS ANGELES  
OUTSTANDING PRINCIPAL OBLIGATIONS BY FUNDING SOURCE  
AS OF JULY 1, 2025**

Fiscal Year	Hospital		Courthouse	Special Districts	Total
	General Fund	Enterprise Fund	Construction Fund	/ Special Funds	Outstanding Principal
2025-26	\$ 1,480,264,137	\$ 1,394,256,032	\$ 86,730,000	\$ 41,410,000	\$ 3,002,660,169
2026-27	1,557,157,669	1,364,792,966	75,825,000	50,130,000	3,047,905,636
2027-28	1,515,803,445	1,326,890,019	64,370,000	48,565,000	2,955,628,464
2028-29	1,469,261,801	1,294,395,545	52,340,000	46,920,000	2,862,917,346
2029-30	1,420,571,152	1,252,958,848	39,695,000	45,180,000	2,758,405,000
2030-31	1,369,536,720	1,217,123,280	26,410,000	43,370,000	2,656,440,000
2031-32	1,315,914,828	1,171,800,172	19,210,000	41,475,000	2,548,400,000
2032-33	1,259,655,098	1,132,284,902	11,645,000	39,465,000	2,443,050,000
2033-34	1,200,620,124	1,082,679,876	5,970,000	37,365,000	2,326,635,000
2034-35	1,138,589,529	1,039,070,471	-	35,155,000	2,212,815,000
2035-36	1,074,655,780	984,754,220	-	32,830,000	2,092,240,000
2036-37	1,007,596,347	936,623,653	-	30,390,000	1,974,610,000
2037-38	937,307,750	877,102,250	-	27,825,000	1,842,235,000
2038-39	863,761,190	824,038,810	-	25,125,000	1,712,925,000
2039-40	791,851,097	759,083,903	-	22,285,000	1,573,220,000
2040-41	716,668,169	700,966,831	-	19,300,000	1,436,935,000
2041-42	638,085,000	630,335,000	-	16,165,000	1,284,585,000
2042-43	576,905,000	597,760,000	-	12,875,000	1,187,540,000
2043-44	512,735,000	553,225,000	-	9,415,000	1,075,375,000
2044-45	445,440,000	533,620,000	-	7,350,000	986,410,000
2045-46	374,860,000	502,210,000	-	5,175,000	882,245,000
2046-47	318,140,000	480,780,000	-	4,420,000	803,340,000
2047-48	275,150,000	446,895,000	-	3,630,000	725,675,000
2048-49	230,460,000	423,550,000	-	2,810,000	656,820,000
2049-50	180,750,000	377,130,000	-	1,590,000	559,470,000
2050-51	135,660,000	362,080,000	-	1,075,000	498,815,000
2051-52	88,645,000	336,015,000	-	545,000	425,205,000
2052-53	60,590,000	322,285,000	-	-	382,875,000
2053-54	49,680,000	308,945,000	-	-	358,625,000
2054-55	38,195,000	308,945,000	-	-	347,140,000
2055-56	26,110,000	294,920,000	-	-	321,030,000
2056-57	13,390,000	294,920,000	-	-	308,310,000

Source: Los Angeles County Treasurer and Tax Collector

**COUNTY OF LOS ANGELES  
FISCAL YEAR DEBT SERVICE OBLIGATIONS BY FUNDING SOURCE  
AS OF JULY 1, 2025**

Title	Total Debt Service	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds
<b>Long-Term Obligations</b>					
2010 Lease Revenue Bonds, Series B (Taxable):					
Coroners Expansion/ Refurbishment	\$ 1,892,800	\$ 1,892,800			
Patriotic Hall Renovation	3,056,530	3,056,530			
Hall of Justice Rehabilitation	15,779,392	15,779,392			
Olive View Medical Center ER/TB Unit	3,521,921		\$ 3,521,921		
Olive View Medical Center Seismic	1,450,893		1,450,893		
Harbor/UCLA Surgery/ Emergency	22,070,000		22,070,000		
Harbor/UCLA Seismic Retrofit	3,403,288		3,403,288		
Total 2010 Lease Revenue Bonds, Series B (Taxable)	\$ 51,174,824	\$ 20,728,722	\$ 30,446,102	\$ 0	\$ 0
2011 High Desert Solar Complex (Taxable)	\$ 390,286	\$ 390,286			
2015 Lease Revenue Refunding Bonds, Series B					
LAX Area Courthouse	\$ 8,140,250			\$ 8,140,250	
Chatsworth Courthouse	6,828,625			6,828,625	
Total 2015 Lease Revenue Refunding Bonds, Series B	\$ 14,968,875	\$ 0	\$ 0	\$ 14,968,875	\$ 0
2016 Lease Revenue Bonds, Series D					
Martin Luther King Inpatient Tower	\$ 15,903,719	\$ 15,903,719			
2018 Lease Revenue Bonds					
Vermont Corridor Administration Building, Series A	\$ 19,299,700	\$ 19,299,700			
2019 Lease Revenue Bonds, Series E-1					
East Antelope Valley Animal Shelter	\$ 866,375	\$ 866,375			
Probation Department Building	1,316,375	1,316,375			
Music Center Plaza	1,168,875	1,168,875			
Rancho Los Amigos NRC	10,366,375		\$ 10,366,375		
Fire Station 143	375,250				\$ 375,250
Total 2019 Lease Revenue Bonds, Series E-1	\$ 14,093,250	\$ 3,351,625	\$ 10,366,375	\$ 0	\$ 375,250
2019 Lease Revenue Bonds, Series E-2					
MLK Medical Campus Parking Structure	\$ 2,070,750		\$ 2,070,750		
2020 Lease Revenue Bonds					
LACMA Buildings	\$ 20,631,125	\$ 20,631,125			
2021 Lease Revenue Bonds, Series F					
LAC+USC Medical Center Recuperative Care Center	\$ 743,744		\$ 743,744		
MLK Behavioral Health Center Renovation	11,379,300		11,379,300		
MLK Central Plan/Hospital Service Building	151,256		151,256		
Olive View Campus Recuperative Care Center	768,519		768,519		
Rancho Los Amigos Recuperative Care Center	866,619		866,619		
Fire Station 104	553,656				\$ 553,656
Total 2021 Lease Revenue Bonds, Series F	\$ 14,463,094	\$ 0	\$ 13,909,438	\$ 0	\$ 553,656
2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery)					
High Desert Multi Service Ambulatory Care Center	\$ 6,996,375		\$ 6,996,375		
MLK Multi Service Ambulatory Care Center	8,518,750		8,518,750		
MLK Data Center	265,500		265,500		
Fire Station 128	228,625				\$ 228,625
Fire Station 132	379,000				379,000
Fire Station 150	581,125				581,125
Fire Station 156	343,875				343,875
Total 2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery)	\$ 17,313,250	\$ 0	\$ 15,780,625	\$ 0	\$ 1,532,625
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	\$ 4,853,775	\$ 4,853,775			
2024 Lease Revenue Bonds (Vermont Corridor Site 2)					
Series 2024A (Tax-Exempt) and Series 2024B (Taxable)	\$ 10,903,991	\$ 10,903,991			
2024 Lease Revenue Bonds Series H					
Yaroslavsky Family Support Center	\$ 7,714,550	\$ 7,714,550			
Manhattan Beach Public Library	\$ 677,688				\$ 677,688
Harbour UCLA	\$ 29,504,375		\$ 29,504,375		
Total 2024 Lease Revenue Bonds Series H	\$ 37,896,613	\$ 7,714,550	\$ 29,504,375	\$ 0	\$ 677,688
<b>Total Long-Term Obligations</b>	<b>\$ 223,963,250</b>	<b>\$ 103,777,492</b>	<b>\$ 102,077,664</b>	<b>\$ 14,968,875</b>	<b>\$ 3,139,219</b>
<b>Total Obligations</b>	<b>\$ 223,963,250</b>	<b>\$ 103,777,492</b>	<b>\$ 102,077,664</b>	<b>\$ 14,968,875</b>	<b>\$ 3,139,219</b>

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, 2025

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	\$ 21,429,673	\$ 21,429,673			
Patriotic Hall Renovation	34,605,059	34,605,059			
Hall of Justice Rehabilitation	178,649,235	178,649,235			
Olive View Medical Center ER/TB Unit	39,874,065		\$ 39,874,065		
Olive View Medical Center Seismic	16,426,551		16,426,551		
Harbor/UCLA Surgery/ Emergency	249,869,481		249,869,481		
Harbor/UCLA Seismic Retrofit	38,530,936		38,530,936		
Total 2010 Lease Revenue Bonds, Serie B (Taxable)	\$ 579,385,000	\$ 234,683,968	\$ 344,701,032	\$ 0	\$ 0
2011 High Desert Solar Complex (Taxable)	\$ 1,150,169	\$ 1,150,169			
2015 Lease Revenue Refunding Bonds, Series B					
LAX Area Courthouse	\$ 47,170,000			\$ 47,170,000	
Chatsworth Courthouse	39,560,000			39,560,000	
Total 2015 Lease Revenue Refunding Bonds, Series B	\$ 86,730,000	\$ 0	\$ 0	\$ 86,730,000	\$ 0
2016 Lease Revenue Bonds, Series D					
Martin Luther King Inpatient Tower	\$ 215,250,000	\$ 215,250,000			
2018 Lease Revenue Bonds					
Vermont Corridor Administration Building, Series A	\$ 286,455,000	\$ 286,455,000			
2019 Lease Revenue Bonds, Series E-1					
East Antelope Valley Animal Shelter	\$ 12,355,000	\$ 12,355,000			
Probation Department Building	18,820,000	18,820,000			
Music Center Plaza	16,650,000	16,650,000			
Rancho Los Amigos NRC	147,950,000		\$ 147,950,000		
Fire Station 143	5,360,000				\$ 5,360,000
Total 2019 Lease Revenue Bonds, Series E-1	\$ 201,135,000	\$ 47,825,000	\$ 147,950,000	\$ 0	\$ 5,360,000
2019 Lease Revenue Bonds, Series E-2					
MLK Medical Campus Parking Structure	\$ 29,660,000		\$ 29,660,000		
2020 Lease Revenue Bonds					
LACMA Buildings	\$ 338,785,000	\$ 338,785,000			
2021 Lease Revenue Bonds, Series F					
LAC+USC Medical Center Recuperative Care Center	\$ 12,750,000		\$ 12,750,000		
MLK Behavioral Health Center Renovation	194,625,000		194,625,000		
MLK Central Plan/Hospital Service Building	2,565,000		2,565,000		
Olive View Campus Recuperative Care Center	13,125,000		13,125,000		
Rancho Los Amigos Recuperative Care Center	14,850,000		14,850,000		
Fire Station 104	9,455,000				\$ 9,455,000
Total 2021 Lease Revenue Bonds, Series F	\$ 247,370,000	\$ 0	\$ 237,915,000	\$ 0	\$ 9,455,000
2022 Lease Revenue Refunding Bonds, Series G (Forward Delivery)					
High Desert Multi Service Ambulatory Care Center	\$ 83,085,000		\$ 83,085,000		
MLK Multi Service Ambulatory Care Center	101,150,000		101,150,000		
MLK Data Center	3,165,000		3,165,000		
Fire Station 128	2,720,000				\$ 2,720,000
Fire Station 132	4,460,000				4,460,000
Fire Station 150	6,845,000				6,845,000
Fire Station 156	4,050,000				4,050,000
Total 2022 Lease Revenue Refunding Bonds, Series G	\$ 205,475,000	\$ 0	\$ 187,400,000	\$ 0	\$ 18,075,000
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	\$ 46,840,000	\$ 46,840,000			
2024 Lease Revenue Bonds (Vermont Corridor Site 2) Series 2024A (Tax-Exempt) and Series 2024B (Taxable)	\$ 212,135,000	\$ 212,135,000			
2024 Lease Revenue Bonds Series H					
Yaroslavsky Family Support Center	\$ 97,140,000	\$ 97,140,000			
Manhattan Beach Public Library	8,520,000				\$ 8,520,000
Harbour UCLA	446,630,000		\$ 446,630,000		
Total 2024 Lease Revenue Bonds Series H	\$ 552,290,000	\$ 97,140,000	\$ 446,630,000	\$ 0	\$ 8,520,000
Total Long-Term Obligations	\$ 3,002,660,169	\$ 1,480,264,137	\$ 1,394,256,032	\$ 86,730,000	\$ 41,410,000
Total Obligations	\$ 3,002,660,169	\$ 1,480,264,137	\$ 1,394,256,032	\$ 86,730,000	\$ 41,410,000

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, 2026**

Title	Outstanding Principal	Total Future Payments	2025-26 FY Payment Remaining
<b>Long-Term Obligations</b>			
Long-Term Capital Projects			
2010 Lease Revenue Bonds, Series B (Taxable)	\$ 554,680,000	\$ 765,684,840 (1) \$	0
2011 High Desert Solar Complex (Taxable)	770,636	781,101 (1)	0
2015 Lease Revenue Refunding Bonds, Series B	75,825,000	90,598,250	1,895,625
2016 Lease Revenue Bonds, Series D	208,975,000	322,835,988	4,735,922
2018 Lease Revenue Bonds, Series A	280,625,000	487,464,800	6,661,975
2019 Lease Revenue Bonds, Series E-1	196,995,000	343,163,000	4,924,875
2019 Lease Revenue Bonds, Series E-2	29,025,000	50,455,150	711,525
2020 Lease Revenue Bonds	331,870,000	522,588,850	6,771,625
2021 Lease Revenue Bonds, Series F	242,680,000	380,874,038	4,827,922
2022 Lease Revenue Bonds, Series G (Forward Delivery)	198,255,000	299,220,250	4,956,375
2022 Lease Revenue Refunding Bonds (Vermont Manchester)	44,215,000	59,317,300	1,081,575
2024 Lease Revenue Bonds, (Vermont Corridor Site 2) Series A (Tax-Exempt), B (Taxable)	212,135,000	439,112,042	5,451,995
2024 Lease Revenue Bonds, Series H (New money and Refunding Bonds)	542,175,000	999,281,475	13,764,369
2025 Lease Revenue Bonds Series J	801,225,000	1,566,222,800	20,539,488
Total Long-Term Obligations	\$ 3,719,450,636	\$ 6,327,599,883	\$ 76,323,270
<b>Intermediate-Term Obligations</b>			
Equipment			
2025 Lease Rev Bonds Series A - LAC-CAL Equipment Program	\$ 13,815,000	\$ 14,803,500	\$ 3,485,375
Total Intermediate-Term Obligations	\$ 13,815,000	\$ 14,803,500	\$ 3,485,375
Total Obligations	\$ 3,733,265,636	\$ 6,342,403,383	\$ 79,808,645
<p>(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.</p> <p>Source: Los Angeles County Treasurer and Tax Collector  Note: Amounts do not include Tax Exempt Commercial Paper</p>			

<b>COUNTY OF LOS ANGELES</b>		
<b>ESTIMATED OVERLAPPING DEBT STATEMENT AS OF July 1, 2025 [Updates coming]</b>		
2024-25 Assessed Valuation: \$2,129,442,901,086: (includes unitary valuation)		
	Applicable %	Debt as of 7/1/25
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		
Metropolitan Water District	48.061 %	\$ 8,244,865
Los Angeles Community College District	100.000	4,919,505,000
Other Community College Districts	Various (1)	5,221,004,178
Arcadia Unified School District	100.000	316,175,000
Beverly Hills Unified School District	100.000	590,278,688
Glendale Unified School District	100.000	309,897,419
Long Beach Unified School District	100.000	1,612,000,158
Los Angeles Unified School District	100.000	10,900,255,000
Pasadena Unified School District	100.000	330,830,000
Pomona Unified School District	100.000	432,919,701
Redondo Beach Unified School District	100.000	264,694,558
Santa Monica-Malibu Unified School District	100.000	1,247,025,000
Torrance Unified School District	100.000	388,755,634
Other Unified School Districts	Various (1)	5,490,637,584
High School and School Districts	Various (1)	2,689,100,784
City of Los Angeles	100.000	1,024,765,000
City of Industry	100.000	6,595,000
City of Pasadena	100.000	195,000,000
Other Cities	100.000	32,145,733
Community Facilities Districts	100.000	777,506,742
1915 Act and Benefit Assessment Bonds - Estimate	100.000	91,767,681
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 36,849,103,725</b>
Less: Los Angeles Unified School District economically defeased general obligation bonds		(461,235,000)
<b>TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 36,387,868,725</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		
<b>Los Angeles County General Fund Obligations</b>	<b>100.000 %</b>	<b>\$ 3,036,637,390</b>
Los Angeles County Office of Education Certificates of Participation	100.000	2,331,775
Community College District Certificates of Participation	Various (2)	41,837,770
Baldwin Park Unified School District Certificates of Participation	100.000	27,795,000
Compton Unified School District Certificates of Participation	100.000	19,265,000
Los Angeles Unified School District Certificates of Participation	100.000	225,010,000
Paramount Unified School District Certificates of Participation	100.000	18,093,000
Other Unified School District Certificates of Participation	Various (2)	191,111,148
High School and Elementary School District General Fund Obligations	Various (2)	148,866,602
City of Beverly Hills General Fund Obligations	100.000	51,915,000
City of Los Angeles General Fund	100.000	1,212,361,701
City of Long Beach General Fund Obligations	100.000	123,485,000
City of Pasadena General Fund Obligations	100.000	342,415,242
City of Pasadena Pension Obligations Bonds	100.000	124,905,000
Other Cities' General Fund Obligations	100.000	4,258,665,297
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 9,824,694,925</b>
Less: Cities		(392,780,983)
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 9,431,913,942</b>
OVERLAPPING TAX INCREMENT DEBT: (Successor Agencies):		\$ 1,366,236,377
<b>TOTAL DIRECT DEBT</b>		<b>\$ 3,036,637,390</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>		<b>\$ 45,003,397,037</b>
<b>TOTAL NET OVERLAPPING DEBT</b>		<b>\$ 44,149,381,054</b>
<b>GROSS COMBINED TOTAL DEBT</b>		<b>\$ 48,040,034,427 (3)</b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$ 47,186,018,444</b>
<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>		
<b>RATIOS TO 2024-25 ASSESSED VALUATION</b>		
Total Gross Overlapping Tax and Assessment Debt	1.73 %	
Total Net Overlapping Tax and Assessment Debt	1.71 %	
Total Gross Direct Debt (\$3,036,637,390)	0.14 %	
Gross Combined Total Debt	2.26 %	
Net Combined Total Debt	2.22 %	
Ratios to Redevelopment Successor Agency Incremental Valuation (\$297,877,923,302):		
Total Overlapping Tax Increment Debt	0.46 %	
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

## Economic Overview

With a 2025 gross product projection of \$1.02 trillion, Los Angeles County's economy is larger than all but 6 states and 18 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 2025 with an increase in economic output of 1.6%, as measured by Gross Product. However, during the same year, the County experienced a decline in total taxable sales of 0.7%.

The County's unemployment rate averaged 5.7% in 2025, which reflects a decrease of 0.1% from 2024. In 2026 and 2027, the job market is expected to stay relatively steady with projected unemployment rates of 5.7% 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, 2025, K-12 schools and community college districts in the County had approximately \$35.7 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 \$96.8 million per year for the County's local parks, beaches, and open space areas, and replaced 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 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. Measure H was projected to generate approximately \$355 million of sales tax revenue per year for the County. On November 5, 2024, the voters approved Measure A authorizing one-half percent (0.50%) County sales tax to repeal and replace the Measure H one-quarter percent (0.25%) sales tax for County homeless services that was set to expire in 2027. Measure A went into effect on April 1, 2025, and is expected to raise over \$1 billion annually until ended by voters (no sunset clause).

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 at the two primary seaports (Port of Los Angeles completed in 2026 and Port of Long Beach expected to be completed in late 2028), 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 303,300 workers employed in this sector in 2025.

## Higher Education

The County is home to an extensive education system, with 111 colleges and university campuses, including UCLA; 5 state university campuses; 69 colleges; prestigious private universities such as USC, Occidental College and the Claremont Colleges; religious-affiliated universities such as Pepperdine, Azusa Pacific, and Biola; 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 Arizona State University 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 the Los Angeles County Museum of Art (LACMA), the Natural History Museum of Los Angeles County, the Norton Simon Museum, the Getty Villa Museum, the Museum of

Contemporary Art, the Huntington Art Museum, and the Broad Museum of Contemporary Art. A major construction project was completed on the LACMA campus to build the David Geffen Galleries to house LACMA's permanent art collection. The new \$724 million museum facility was opened in April 2026. 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, a café, and rooftop restaurant. The new museum, which is scheduled to open in September 2026, is located directly across the street from the University of Southern California and west of the Natural History Museum.

In June 2022, the Samuel Oschin Air and Space Center at Exposition Park broke ground on a new 200,000 square foot building addition to the California Science Center, located adjacent to the Los Angeles Memorial Coliseum. The \$450 million project is the permanent home of the Space Shuttle Endeavour and the tallest structure in Exposition Park, peaking at 200 feet. Construction was completed in April 2026.

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.

The La Brea Tar Pits and Page Museum will undertake a two-year, \$240 million renovation project to increase space and develop more sustainable infrastructure, with anticipated reopening in 2028 in advance of the 2028 Olympics.

## **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 177 parks, including 4 arboreta and botanic gardens, 92 local parks, 22 community regional parks, 16 regional parks, 14 wildlife sanctuaries, 8 nature centers, 28 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 1<sup>st</sup> 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 to an additional 30,000 seats for special events. The venue is home to the Los Angeles Rams and Los Angeles Chargers and hosted the 56<sup>th</sup> 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. The Los Angeles region secured \$900 million in federal infrastructure funding to improve mobility and upgrade transportation infrastructure ahead of the 2028 Olympics. LA Metro received \$709.9 million from the Bipartisan Infrastructure Law and the Fiscal Year 2024 Transportation Spending Law for the development of East San Fernando Valley Light Rail Transit Project and sections two and three of the D Line Subway Extension Project. Other federal grant funding will be used for street and transit infrastructure, traffic safety and improve connections between neighborhoods.

This will be the third time that Los Angeles has hosted the Summer Olympics, with the previous occasions occurring in 1932 and 1984. A 2017 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 \$2.0 billion arena, opened on August 15, 2024, in time for the 2024-25 NBA basketball season. The 17,800-seat arena includes 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 9.9 million people estimated to be residing within its borders. The 2025 population count experienced a slight increase from 2024, as reflected in Table B. The County's population makes it equivalent to the eleventh largest state in the nation and accounts for approximately 25.0% of the total population of California. According to the U.S. Census Bureau's demographic profile, the County's population is comprised of 48.8% Hispanic/Latino, 25.0% White, 16.4% Asian, 8.9% African American and 0.9% 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 91 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 80.9% of the adult population has a high school diploma or higher, and 36.0% 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 12.3%. By 2024, the County's unemployment rate experienced significant improvement, falling to 5.8%. In 2025 the unemployment rate decreased to 5.7%. The County's employment outlook is projected to stay steady over the next two years, with the unemployment rates of 5.7% in 2026 and 5.6% in 2027. Table E details the County's historical unemployment rates from 2021 through 2025. Table F details the non-agricultural employment statistics by sector for the County from 2021 through 2025.

### **Personal Income**

Total personal income in the County increased by an estimated 5.3% in 2025. The projected 2025 total personal income of \$862.1 billion represents an estimated 24.0% of the total personal income generated in California. Based on current projections, personal income is expected to increase by 2.0% in 2026 and 2.8% in 2027. Table C provides a summary of the personal income statistics for the County from 2021 through 2025.

### **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, 2024, and 2025, the County's total taxable sales decreased by 2.4%, 1.3%, and 0.7%, respectively. The \$204.5 billion of total estimated taxable sales in the County for 2025 represents 21.8% 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 2021 through 2025.

### **Industry**

With an estimated annual economic output of \$1.02 trillion in 2025, the County continues to rank among the world's largest economies. The County's 2025 Gross Product represents approximately 24.0% of the total economic output in California and 3.3% 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 2021 through 2025.

### **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 and the gateway to trade with the Pacific Rim. The County's airports and extensive port facilities serve as the gateway for the Southern California region's thriving international trade. The value of two-way trade is reflected in the steady growth experienced by LACD over the previous decade, resulting in a record level of \$524 billion in 2022. Due to supply chain and labor related issues at west coast ports in 2023, the LACD experienced a decline in trade volume by 10.8% in 2023. In 2024, the value of international trade in the LACD grew by 10.1% from 2023, with LACD handling approximately \$515 billion worth of international trade. In 2025, the value of international trade in the LACD decreased by 1.3% from 2024, with LACD handling approximately \$508 billion worth of international trade. Table H provides the value of international trade for the County from 2021 through 2025.

### **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 thirteenth (13<sup>th</sup>) busiest airport in the world and fifth (5<sup>th</sup>) 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 73.7 million passengers in 2025, representing a 156% increase from 2020, and 3.8% decrease from 2024. The 2.3 million tons of air cargo handled at LAX in 2025 represents a decrease of 7.0% from 2020 levels, and a decrease of 4.6% from 2024. The \$30 billion capital improvement project currently underway at LAX is expected to generate approximately 121,000 local jobs and is projected to last through 2033. 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 under construction and 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 20.1 million Twenty-foot Equivalent Unit ("TEU") containers in 2025, which represents a 0.9% increase in container volume from 2024.

The Port of Los Angeles is one of the largest man-made harbors in the world. In 2025, it was ranked as the busiest container port in the United States and the sixteenth (16<sup>th</sup>) 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 25 cargo terminals, including facilities to handle automobiles, containers, dry bulk and liquid bulk products. In 2025, the Port handled 10.2 million TEUs, which represents a decrease of 0.6% in container volume from 2024.

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 (19<sup>th</sup>) busiest in the world in 2024. The Port of Long Beach covers 3,520 acres with 12 separate piers, 80 berths, 73 cranes and 22 shipping terminals. In 2025, the port handled 9.9 million TEUs of container cargo, which represents an increase of 2.4% from 2024.

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 305.7 million in annual boardings, the Metro System is the ninth (9<sup>th</sup>) 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 2026 operating budget for the MTA is \$9.5 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 2023, the Los Angeles region hosted 49.1 million visitors, representing a 97% recovery to pre-pandemic levels.

### **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 2024. 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 229% from 2012 to 2025.

In 2025, the residential real estate market experienced growth, as the average median home price increased by 5.8% to \$953,500 from 2024. New and existing home sales decreased by 2.2% from 57,874 in 2024 to 56,608 in 2025. After a record high of 105,433 in 2009, notices of default recorded decreased by 92.0% by 2025. Notices of default recorded in 2025 was 7,426, which is a 12.0% decrease from 2024. Table K provides a summary of real estate and construction indicators in the County from 2021 through 2025. Foreclosures, as measured by the number of trustee deeds recorded, experienced a significant decrease of approximately 98% from a cyclical high of 39,774 in 2008 to 1,139 in 2024. The number of trustee deeds recorded decreased by 15.8% to 959 in 2025.

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 2025-26, the Assessor reported a Net Local Roll of \$2.176 trillion, which represents an increase of 3.91% or \$82.0 billion from Fiscal Year 2024-25. The Fiscal Year 2025-26 Net Local Roll represents the largest revenue-producing valuation in the history of the County, and the fifteenth consecutive year of assessed valuation growth. The largest factors contributing to the increase in assessed valuation are transfers in ownership (\$51.4 billion) and an increase in the consumer price index (\$41.1 billion), which were partially offset by Decline-in-Value Adjustments (\$16.3 billion), primarily as a result of the 2025 wildfires.

The industrial market vacancy rates decreased from 4.9% in 2024 to 4.6% in 2025. Office market vacancy rates decreased from 24.9% in 2024 to 23.4% in 2025.

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 residences, 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.

GROSS PRODUCT

POPULATION LEVELS

TOTAL PERSONAL INCOME

TOTAL TAXABLE SALES

UNEMPLOYMENT RATES

AVERAGE ANNUAL EMPLOYMENT

SUMMARY OF AIRPORT AND PORT ACTIVITY

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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Los Angeles County	\$841	\$909	\$956	\$1,003	\$1,019 *
State of California	3,418	3,618	3,827	4,048	4,251
United States	<u>23,726</u>	<u>26,055</u>	<u>27,812</u>	<u>29,298</u>	<u>30,762</u>
Los Angeles County as a % of California	24.6%	25.1%	25.0%	24.8%	24.0%

Source: Los Angeles County Economic Development Corporation; Bureau of Economic Analysis-US Department of Commerce

\* 2025 Los Angeles County GDP values is a forecast

**TABLE B: POPULATION LEVELS (in thousands)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Los Angeles County	9,966	9,870	9,834	9,849	9,877
State of California	<u>39,370</u>	<u>39,180</u>	<u>39,228</u>	<u>39,421</u>	<u>39,529</u>
Los Angeles County as a % of California	25.3%	25.2%	25.1%	25.0%	25.0%

Source: Los Angeles County Economic Development Corporation; Official estimates from the California Department of Finance

\*Annual estimates with respective year's most recent Census Benchmark

**TABLE C: TOTAL PERSONAL INCOME: HISTORICAL SUMMARY BY COUNTY (in millions of \$)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
Los Angeles County	721,713	728,350	766,332	818,509	862,136
Orange County	258,628	267,135	282,269	298,129	314,943
San Diego County	240,063	246,464	262,611	278,128	295,761
Riverside County	126,651	127,576	133,563	142,697	151,459
San Bernardino County	109,157	108,076	111,576	119,552	126,175
Ventura County	62,577	62,171	64,930	68,972	72,661
State of California	<u>3,019,216</u>	<u>3,021,646</u>	<u>3,182,779</u>	<u>3,400,237</u>	<u>3,585,891</u>
Los Angeles County as a % of California	23.9%	24.1%	24.1%	24.1%	24.0%

Source: Los Angeles County Economic Development Corporation; Bureau of Economic Analysis, CA Department of Finance

\* 2025 data is a forecast

**TABLE D: TOTAL TAXABLE SALES IN LOS ANGELES COUNTY (in millions of \$)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Los Angeles County	192,524	213,717	208,503	205,810	204,460
State of California	<u>862,712</u>	<u>951,775</u>	<u>935,895</u>	<u>930,281</u>	<u>936,625</u>
Los Angeles County as a % of California	22.3%	22.5%	22.3%	22.1%	21.8%

Source: Los Angeles County Economic Development Corporation; California Department of Tax and Fee Administration

**TABLE E: UNEMPLOYMENT RATES**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Los Angeles County	9.0%	5.0%	5.1%	5.8%	5.7%
State of California	7.3%	4.3%	4.7%	5.3%	5.5%
United States	5.4%	3.7%	3.6%	4.0%	4.3%

Source: Los Angeles County Economic Development Corporation; CA EDD LMID, CES; Bureau of Labor Statistics

**TABLE F: AVERAGE ANNUAL EMPLOYMENT IN LOS ANGELES COUNTY BY SECTOR****Non-Agricultural Wage and Salary Workers (in thousands)**

<b>Employment Sector</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Health Care & Social Assistance	718.6	739.5	779.9	820.0	858.4
Wholesale & Retail Trade	598.7	609.9	604.9	593.6	582.8
Government	560.2	570.0	583.1	601.7	603.2
Leisure and Hospitality	434.2	512.4	534.1	537.5	533.1
Manufacturing	313.1	321.7	318.4	312.6	303.3
Professional Scientific & Technical Services	300.6	319.5	316.5	317.8	323.9
Administrative & Support & Waste Services	267.4	285.1	277.4	276.0	274.4
Information	208.8	234.9	193.1	189.6	177.0
Transportation, Warehousing & Utilities	215.2	223.6	217.9	218.5	216.5
Other	142.2	159.3	163.8	165.3	163.6
Construction	149.0	151.3	151.2	151.6	146.5
Educational Services	125.3	131.1	139.1	147.0	148.7
Finance & Insurance	129.0	126.6	122.2	118.5	116.9
Real Estate & Rental & Leasing	84.1	89.2	88.3	89.2	86.6
Management of Companies & Enterprises	63.3	62.8	63.3	63.6	62.0
<b>Total</b>	<b>4,309.7</b>	<b>4,536.9</b>	<b>4,553.2</b>	<b>4,602.5</b>	<b>4,596.9</b>

Source: Los Angeles County Economic Development Corporation; California Employment Development Department

**TABLE G: SUMMARY OF AIRPORT AND PORT ACTIVITY (in thousands)**

<b>Type of Activity</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>International Air Cargo (Tons)</b>					
Los Angeles International Airport	1,867.5	1,768.9	1,521.9	1,590.4	1,577.5
As Percentage of Total Air Cargo	62.79%	64.22%	64.26%	66.14%	68.79%
<b>Total Air Cargo (Tons)</b>					
Los Angeles International Airport	2,974.1	2,754.6	2,368.1	2,404.4	2,293.0
Long Beach Airport	14.9	14.4	13.1	12.4	16.6
Hollywood Burbank Airport	53.9	44.6	37.3	37.4	36.1
<b>Total</b>	<b>3,042.9</b>	<b>2,813.5</b>	<b>2,418.5</b>	<b>2,454.2</b>	<b>2,345.8</b>
<b>International Air Passengers</b>					
Los Angeles International Airport	7,965.3	16,600.8	22,229.2	23,985.6	23,597.9
As Percentage of Total Passengers	16.6%	25.2%	29.6%	31.3%	32.0%
<b>Total Air Passengers</b>					
Los Angeles International Airport	48,009.2	65,924.3	75,056.2	76,585.9	73,709.6
Long Beach Airport	2,104.1	3,242.8	3,739.2	4,148.1	3,818.2
Hollywood Burbank Airport	3,733.0	5,898.7	6,034.7	6,550.3	6,219.5
<b>Total</b>	<b>53,846.3</b>	<b>75,065.9</b>	<b>84,830.2</b>	<b>87,284.2</b>	<b>83,747.2</b>
<b>Container Volume (TEUs)</b>					
Port of Los Angeles	10,677.6	9,911.2	8,629.7	10,297.4	10,239.3
Port of Long Beach	9,384.4	9,133.7	8,018.7	9,649.7	9,881.6
<b>Total</b>	<b>20,062.0</b>	<b>19,044.8</b>	<b>16,648.4</b>	<b>19,947.1</b>	<b>20,120.9</b>

Source: Los Angeles County Economic Development Corporation; 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 U.S. CUSTOMS DISTRICTS (in millions of \$)**

Customs District	2021	2022	2023	2024	2025
Los Angeles, CA*	\$478,305	\$523,930	\$467,587	\$514,635	\$507,889
New York, NY	466,083	520,764	484,031	497,239	625,568
Laredo, TX	354,642	411,737	435,062	463,780	481,847
Chicago, IL	343,323	387,875	364,849	387,319	463,131
Houston-Galveston, TX	273,657	392,859	364,634	372,453	351,048
Detroit, MI	267,661	303,225	315,656	312,612	284,297
New Orleans, LA	228,358	281,469	261,148	264,226	273,204
Savannah, GA	200,787	225,891	220,155	245,404	256,629
Cleveland, OH	168,054	187,119	173,492	195,469	204,388
Seattle, WA	140,565	157,314	146,188	148,491	145,868

Source: Los Angeles County Economic Development Corporation; 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	2021	2022	2023	2024	2025
Los Angeles-Long Beach, CA	234,536	222,745	202,353	233,970	231,189
Tacoma, WA	26,423	24,152	27,318	29,807	26,380
Oakland, CA	32,357	29,918	26,877	29,705	29,691
Seattle, WA	17,727	14,738	10,943	13,020	12,248
Longview/Kalama, WA	12,115	11,036	10,284	12,053	11,392
Portland, OR	12,749	12,256	10,800	14,880	13,635
Port Hueneme	6,885	8,055	7,889	8,341	7,403
San Diego, CA	4,350	4,698	4,968	5,425	5,061
Vancouver, WA	2,255	2,435	2,296	1,962	1,664

Source: Los Angeles County Economic Development Corporation; Pacific Maritime Association, Annual Reports

**TABLE J: TOTAL CONTAINER TRAFFIC AT MAJOR U.S. PORTS (TEUs in thousands)**

Port	2021	2022	2023	2024	2025
Los Angeles-Long Beach, CA	20,062	19,045	16,648	19,947	20,121
New York-New Jersey, NY	8,986	9,494	7,810	8,699	8,898
Savannah, GA	5,613	5,892	4,928	5,546	5,691
Seattle-Tacoma, WA	3,736	3,384	2,974	3,341	3,157
Norfolk, VA	3,523	3,703	3,288	3,524	3,240
Houston, TX	3,453	3,975	3,835	4,140	4,303
Charleston, SC	2,751	2,792	2,482	2,497	2,565
Oakland, CA	2,449	2,338	2,066	2,263	2,254

Source: Los Angeles County Economic Development Corporation; Port of Los Angeles, Port of Long Beach, The Port Authority of New York and New Jersey, Port of Savannah, 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**

<b>Indicator</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
1. New & Existing Median Home Prices	\$792,656	\$878,646	\$902,625	\$901,521	\$953,500
2. New & Existing Home Sales	96,295	69,868	54,871	57,874	56,608
3. Notices of Default Recorded	3,578	7,223	7,803	8,434	7,426
4. Office Market Vacancy Rates	19.1%	20.8%	22.8%	24.9%	23.4%
5. Industrial Market Vacancy Rates	0.7%	0.9%	3.4%	4.9%	4.6%

Source: CoreLogic, Cushman & Wakefield

**TABLE L: BUILDING PERMITS AND VALUATIONS IN LOS ANGELES COUNTY**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Residential Building Permits</b>					
1. New Residential Permits (Units)					
a. Single Family	7,338	8,301	6,504	7,405	N/A
b. Multi-Family	16,718	18,912	11,752	9,260	N/A
<b>Total Residential Building Permits</b>	<b>24,056</b>	<b>27,213</b>	<b>18,256</b>	<b>16,665</b>	<b>N/A</b>
<b>Building Valuations</b>					
2. Residential Building Valuations (in millions of \$)					
a. Single Family	\$2,089	\$2,180	\$1,681	\$2,154	N/A
b. Multi-Family	3,027	3,524	2,016	1,648	N/A
c. Alterations and Additions	909	1,423	1,401	2,188	N/A
<b>Residential Building Valuations Subtotal</b>	<b>\$6,025</b>	<b>\$7,127</b>	<b>\$5,098</b>	<b>\$5,990</b>	<b>N/A</b>
3. Non-Residential Building Valuations (in millions of \$)					
a. Office Buildings	\$162	\$70	\$80	\$242	N/A
b. Retail Buildings	170	879	607	452	N/A
c. Hotels and Motels	53	41	77	0	N/A
d. Industrial Buildings	28	25	138	25	N/A
e. Alterations	949	2,417	1,846	2,216	N/A
f. Other	508	752	1,319	1,267	N/A
<b>Non-Residential Building Valuations Subtotal</b>	<b>\$1,870</b>	<b>\$4,184</b>	<b>\$4,067</b>	<b>\$4,202</b>	<b>N/A</b>
<b>Total Building Valuations (in millions)</b>	<b>\$7,895</b>	<b>\$11,311</b>	<b>\$9,165</b>	<b>\$10,192</b>	<b>N/A</b>

Source: California Building Industry Association

**TABLE M: LARGEST PRIVATE SECTOR EMPLOYERS IN LOS ANGELES COUNTY**

Company (in order of 2025 Ranking)	Industry	Headquarters	No. of Employees	
			LA County	Total
1 Kaiser Permanente	Health Care	Oakland, CA	47,897	241,462
2 University of Southern California	Education-Private University	Los Angeles, CA	25,741	26,716
3 Cedars-Sinai	Health Care	Los Angeles, CA	18,087	19,615
4 Northrop Grumman Corp.	Aerospace, Electronics and Information Systems	Falls Church, VA	16,600 <sup>1</sup>	95,000
5 The Walt Disney Co.	Media and Entertainment	Burbank, CA	13,400	230,400
6 NBCUniversal	Media and Entertainment	New York, NY	13,000 <sup>1</sup>	59,800 <sup>1</sup>
7 UPS	Transportation and Freight	Atlanta, GA	12,000 <sup>1</sup>	163,000 <sup>1</sup>
8 Providence	Health Care	Renton, WA	11,500 <sup>1</sup>	48,700 <sup>1</sup>
9 The Home Depot	Home Improvement Retailer	Atlanta, GA	11,000 <sup>1</sup>	120,000 <sup>1</sup>
Target Corp.	Retailer	Minneapolis, MN	11,000 <sup>1</sup>	160,000 <sup>1</sup>
11 The Boeing Co.	Aerospace/Defense, Commercial Jetliners	Arlington, VA	10,700	170,000
12 Albertsons Cos.	Grocery Retailer	Boise, Idaho	10,000 <sup>1</sup>	108,000 <sup>1</sup>
13 California Institute of Technology	Private University and Jet Propulsion Lab	Pasadena, CA	8,396	9,284
14 AT&T Inc.	Telecommunications	Dallas, TX	8,000 <sup>1</sup>	140,990
15 Amazon	Online Retailer	Seattle, WA	7,000 <sup>1</sup>	1,500,000
16 Allied Universal	Security Services and Technology Solutions	Santa Ana, CA	6,800 <sup>1</sup>	300,000
17 City of Hope	Cancer, Diabetes Treatment and Research Center	Duarte, CA	6,700 <sup>1</sup>	12,000 <sup>1</sup>
18 Ralphs/Food 4 Less - Kroger Co.	Grocery Retailer	Cincinnati, OH	5,600	10,000
SpaceX	Rockets and Spacecraft	Hawthorne, CA	5,600	13,000 <sup>1</sup>
20 Bank of America Corp.	Banking and Financial Services	Charlotte, NC	5,530	213,000
21 Children's Hospital Los Angeles	Non-Profit Hospital	Los Angeles, CA	5,305	7,489
22 Costco Wholesale	Membership Chain of Warehouse Stores	Issaquah, WA	5,300 <sup>1</sup>	79,000 <sup>1</sup>
23 Capital Group	Financial Services	Los Angeles, CA	4,600	9,000
24 Antelope Valley Medical Center	Health Care	Lancaster, CA	2,800	2,800
25 Deloitte LLP and subsidiaries	Audit, Tax, Advisory and Consulting Services	New York, NY	2,610	460,000

Source: Los Angeles Business Journal  
<sup>1</sup> Los Angeles Business Journal estimate

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**APPENDIX B**

**COUNTY OF LOS ANGELES FINANCIAL STATEMENTS**

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**APPENDIX C**

**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL**

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**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL**

*Upon delivery of the Series A Notes, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, proposes to render its final approving opinion with respect to the Series A Notes in substantially the following form:*

[Date of Delivery]

County of Los Angeles  
Los Angeles, California

County of Los Angeles  
2026-27 Tax and Revenue Anticipation Notes, Series A  
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Los Angeles (the “County”) in connection with issuance of \$ \_\_\_\_\_ aggregate principal amount of County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes, Series A (the “Series A Notes”), issued pursuant to a resolution of the Board of Supervisors of the County adopted on May \_\_, 2026 (the “Resolution”), the Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of County of Los Angeles 2026-27 Tax and Revenue Anticipation Notes, dated July 1, 2026, 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 Series A 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 Series A 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 Series A Notes has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto 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 Series A 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 Series A 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 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 foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Financing Certificate or the accuracy or sufficiency of the description contained therein, or the remedies available to enforce liens on, any such property. 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 Series A Notes, and express no 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 Series A 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 Series A 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 Series A Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series A 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 Series A Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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**APPENDIX D**

**BOOK-ENTRY ONLY SYSTEM**

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*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 Series A Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series A Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series A 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 Series A Notes (the “Series A Notes”). The Series A 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 Series A 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](http://www.dtcc.com). The information on this website is not incorporated herein by reference.

3. Purchases of Series A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series A Notes on DTC’s records. The ownership interest of each actual purchaser of each Series A 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 Series A 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 Series A Notes, except in the event that use of the book-entry system for the Series A Notes is discontinued.

4. To facilitate subsequent transfers, all Series A 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 Series A 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 Series A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series A 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 Series A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series A Notes, such as redemptions, tenders, defaults, and proposed amendments to the Series A Note documents. For example, Beneficial Owners of Series A Notes may wish to ascertain that the nominee holding the Series A 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 Series A 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 Series A Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Distributions and other payments on the Series A 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 Series A 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 Series A Notes will be printed and delivered to DTC and the requirements of the Resolution and Financing Certificate with respect to certificated Series A 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 SERIES A NOTES OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

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**APPENDIX E**

**FORM OF DISCLOSURE CERTIFICATE**

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§ \_\_\_\_\_  
**COUNTY OF LOS ANGELES**  
**2026-27 TAX AND REVENUE ANTICIPATION NOTES,**  
**SERIES A**

**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 2026-27 Tax and Revenue Anticipation Notes, Series A (the “**Series A Notes**”). The Series A Notes are being issued pursuant to a Resolution adopted by the County on May \_\_, 2026 (the “**Resolution**”), and a Financing Certificate executed by the Treasurer on July 1, 2026 (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 Series A 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 Series A Notes (including persons holding Series A Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series A 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 Series A 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 Series A Notes required to comply with the Rule in connection with offering of the Series A 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 Series A 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 Series A 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 Series A Notes, or other material events affecting the tax status of the Series A Notes;
7.      modifications to rights of Noteholders, if material;
8.      redemption or call of the Series A Notes, if material, and tender offers;
9.      defeasances;
10.     release, substitution or sale of property securing repayment of the Series A 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 Series A 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 Series A Notes. If such termination occurs prior to the final maturity of the Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A 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 Series A Notes, and shall create no rights in any other person or entity.

Dated: July 1, 2026

**COUNTY OF LOS ANGELES, CALIFORNIA**

By: \_\_\_\_\_  
ELIZABETH BUENROSTRO GINSBERG  
Treasurer and Tax Collector