

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns MIG 1 to LA County's (CA) 2024-25 TRANs

05 Jun 2024

New York, June 05, 2024 -- Moody's Ratings (Moody's) has assigned a MIG 1 rating to Los Angeles County's (CA) 2024-25 Tax and Revenue Anticipation Notes. The expected par amount is \$700 million.

RATINGS RATIONALE

The assignment of the MIG 1 rating is driven by Los Angeles County's strong long-term credit quality, as reflected in its Aa1 issuer rating. The rating also takes into account the track record of accurate revenue forecasts and budgeting assumptions, the quality of cash management and strong note structure with advance set asides for repayment prior to maturity. The county's ample alternate funds available for note repayment are also factored into the rating.

RATING OUTLOOK

Moody's does not assign outlooks to short-term ratings.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Substantial decline of the county's long-term rating
- Significant reduction in anticipated cash position
- Erosion of alternate sources of liquidity

LEGAL SECURITY

The notes are secured by a pledge of unrestricted fiscal 2024-25 general fund receipts.

USE OF PROCEEDS

The notes are being issued to fund the county's fiscal 2024-2025 cash flow needs.

PROFILE

Los Angeles County is the largest county in the nation both by assessed value (approximately \$1.9 trillion) and population (10 million). The county is governed by a five-member Board of Supervisors and day-to-day operations are managed by the Chief Executive Officer.

METHODOLOGY

The principal methodology used in this rating was US Municipal Short-term Debt Methodology published in May 2023 and available at <https://ratings.moodys.com/rmc-documents/398329>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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