FitchRatings

**Public Finance**
Tax Supported
United States

# Los Angeles County, California

The 'AA+' rating on Los Angeles County Facilities 2 Inc.'s lease revenue bonds is one notch below the 'AAA' Issuer Default Rating (IDR) on Los Angeles County due to the slightly higher degree of optionality associated with the county's lease payments equal to debt service, which are subject to appropriation.

The county's 'AAA' IDR reflects its 'aaa' financial resilience, 'midrange' demographic and economic metrics including population growth, income levels, educational attainment and unemployment rates, as well as a 'strong' long-term liability burden on a composite basis.

The rating additionally reflects the application of a one-notch positive additional analytical factor recognizing the county's role as the center of an important and growing MSA with a vital role in the national economy. The Los Angeles–Long Beach–Anaheim, CA MSA is the second largest in the U.S. and generates 5.4% of US GDP.

## Rating Sensitivities

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

- Failure to implement available policy measures, as needed, resulting in reduced available reserves sustained below 15% of spending, in turn resulting in an 'aa' or lower financial resilience assessment;
- A 10%-15% increase in long-term liability burden metrics without a commensurate increase in personal income or governmental revenues and expenditures;
- Weakened economic and demographic performance including but not limited to population loss, rising unemployment and lower median household income (MHI).

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Not applicable given the 'AAA' IDR.

## Security

The series 2024 lease revenue bonds are payable from lease rental payments equal to debt service made by Los Angeles County for use and occupancy of the new Vermont Corridor Site 2 to be redeveloped using the bond proceeds. The county's lease rental payments are payable from its general revenues, subject to abatement, and are not dependent on revenues generated by the completed project.

### Ratings

| | |
|---|---|
| Long-Term IDR | AAA |

### Outlooks

| | |
|---|---|
| Long-Term IDR | Stable |

### New Issues

| | |
|---|---|
| $217,670,000 Los Angeles County Facilities 2 Inc. (CA) (Vermont Corridor Site 2) Lease Revenue Bonds, Series 2024A | AA+ |
| $5,615,000 Los Angeles County Facilities 2, Inc. (CA) (Vermont Corridor Site 2) Lease Revenue Bonds, Series 2024B (Taxable) | AA+ |

### Sale Date

Week of August 5, 2024

### Outstanding Debt

| | |
|---|---|
| Lease Obligations | AA+ |
| TRANS | F1+ |

### Applicable Criteria

U.S. Public Finance Local Government Rating Criteria (April 2024)

### Related Research

Fitch Rates LA County Facilities 2, Inc.'s $223MM Lease Revenue Bonds 'AA+'; Outlook Stable (July 2024)

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## Rating Headroom & Positioning

Los Angeles County Model Implied Rating: 'AAA' (Numerical Value: 10.15)

- Metric Profile: 'AA+' (Numerical Value: 9.15)
- Net Additional Analytical Factor Notching: +1.0

Individual Additional Analytical Notching Factors:

- Economic and Institutional Strength: +1.0

Los Angeles County's Model Implied Rating is 'AAA'. The associated numerical value of 10.15 is at the lower end of the range for its current 'AAA' rating.

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

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

## Current Developments

### Fiscal 2023 and 2024 Operations

The county ended fiscal 2023 with a $865 million surplus, adding $874 million to the unrestricted fund balance and bringing the total to $6.1 billion, equal to 23.7% of fiscal 2023 spending. The county's final adopted fiscal 2024 general fund budget (general and hospital enterprise) totals $36 billion, which includes discretionary revenue increases, including property taxes due to a 5.9% increase in assessed valuation.

The final adopted fiscal 2024 budget emphasizes health services, public health and safety net services, including an additional $100 million toward Care First and Community Investment (previously measure J). The total funding for this initiative is currently $200 million, which is consistent with the original plan under Measure J before it was ruled unconstitutional. These funds are now part of the county's budget policy. The county expects to end fiscal 2024 with a total fund balance of about $6.12 billion, a decline of about $363 million.

### Fiscal 2025 Budget

The county's fiscal 2025 operating budget, including the general and hospital enterprise funds, is about $650 million lower than the final adopted fiscal 2024 budget due to lower appropriation of fund balance. The budget is structurally balanced and includes an increase in discretionary funds, driven by a projected 4.75% increase in taxable assessed values (TAVs) and a 2% gain in sales taxes.

### Future Budget Pressure from Litigation Expected to be Manageable

The county continues to face several challenges to its financial operations from items including services for the unhoused, sizable potential legal settlements, and exposure to state budget challenges that could affect state funding for certain social services and public safety programs. However, given ample available reserves and solid spending flexibility, Fitch expects the county to manage through these challenges while retaining an unrestricted fund balance above 15% of spending, resulting in a 'aaa' financial resilience.

## Profile

Los Angeles County is a major economic and manufacturing center, and incorporates two ports and an airport that are typically among the busiest in the world. Taxable assessed value has had strong growth in the past decade after very small recessionary declines, reflecting the county's highly developed and mature tax base and large Proposition 13 cushion with a significant, albeit slowly declining, portion of properties listed on the tax roll at well below market value. While most recent growth has been tied to ownership transfers of existing properties and inflation, ongoing new development and redevelopment projects continue to support future tax base growth.

LACF2 is a single purpose entity that employs a similar financing model and management team to the one used as part of the earlier Vermont Corridor County Administration Building Project (Site 1) that was funded through Series 2018 lease revenue bonds. Until the 2024 bonds are paid off, LACF2 will own the new facilities and the county will be the tenant. Once the bonds have been fully repaid on June 1, 2057 (30 years following a three-year construction period with capitalized interest) the county is assured of property ownership under the capital lease management arrangement.

LACF2 will be staffed by Public Facilities Group (PFG), a non-profit corporation experienced in developing and financing such projects for public agencies. LACF2 has engaged Trammell Crow LA Development, Inc. as the master developer responsible for the management of construction for a guaranteed maximum price of $210 million. Both the LACF2 management team and the master developer served on the earlier Vermont Corridor Site 1 project, which was completed in 2021.

In addition to standard insurance requirements (including 24-month rental interruption insurance), there is also "all risk" casualty insurance, and, during construction, LACF2 will maintain builder's "all risk" insurance, which includes earthquake coverage. To further mitigate construction risk, fixed price contracts are used, backed by payment and performance bonds and sub-guard coverage for subcontractors. The project budget is required to be balanced as a condition of monthly disbursements or the developer must post funds.

The bonds are payable from base rent paid by the county under the facilities lease, and base rent payable is a general fund obligation of the county. Interest on the bonds is capitalized six months past the expected substantial completion date, with the master developer obliged to pay monthly debt service if the project is not completed by the developer obligation date. Although LACF2 owns the lease rental payments made by the county, these monies are paid directly from the county to the trustee, and the trustee's accounts are pledged to the bondholders.

## Key Drivers

| | | | |
|---|---|---|---|
| Issuer: Los Angeles County (CA) | | Financial Profile | 0.0 |
| Type: County General Obligation | | Demographic & Economic Strength | 1.0 |
| Current: AAA, RO:Sta (2024/06/06) | | Long-Term Liability Burden | 0.0 |
| Fiscal Year | 2023 | AAF Notching Total [d] | 1.0 |
| Metric Profile | 9.15 | MIR - Metric | 10.15 |
| Metric Profile Mapping | AA+ | MIR - Mapping | AAA |

**Issuer Position Within AAA Model Implied Rating**

| Strong AAA | Mid AAA | Low AAA |
|---|---|---|

Rating position post application of analytical overlay

| | | Analyst Input | Metric | | Composite | | |
|---|---|---|---|---|---|---|---|
| **Metric** | **2023** | **2023** | **Percentile** | **Weight** | **Percentile / Value** | **Assessment** | **Weight** |
| **Financial Profile** | | | | | | | |
| **Financial Resilience Components** | | | | | | | |
| Available Reserves (FB/Expenditures: 5-Year Low) (%) | 19.5 | | | | | | |
| Revenue Control Assessment | Midrange | Midrange | | | | | |
| Expenditure Control Assessment | Midrange | Midrange | | | | aaa | 35% |
| Budgetary Flexibility | Midrange | Midrange | | | | | |
| **Financial Resilience** | aaa | aaa | | 100% | | | |
| Lowest Cumulative 3 Year Revenue Performance (+/-) since 2008 (%) | -0.4 | | | | | Strong | 0% |
| **Revenue Volatility(1)** | 0.07 | 0.07 | 70% | 100% | | | |
| **Demographic and Economic Strength** | | | | | | | |
| **Trend** | | | | | | | |
| Population Trend (%)(2) | 0.0 | | 11% | 100% | 11% | Weakest | 8% |
| Unemployment Rate as Percentage of National Rate (%)(5) | 138.9 | | 16% | 33% | | | |
| Population w/ Bachelor's Degree and Higher (%)(2) | 34.6 | | 63% | 33% | 41% | Midrange | 26% |
| MHI as a % of the Portfolio Median (2) | 97.1 | | 46% | 33% | | | |
| **Concentration & Size** | | | | | | | |
| Population Size(2)(3) | 9,719,765 | | 100% | 50% | 100% | Strongest | 9% |
| Economic Concentration (%)(2)(3) | 15.5 | | 100% | 50% | | | |
| **Long-Term Liability Burden** | | | | | | | |
| Liabilities/Personal Income (%) | 4.1 | 4.6 | 58% | 35% | | | |
| Liabilities/Governmental Revenues (%)(6) | 98.5 | 109.2 | 81% | 25% | 66% | Strong | 21% |
| Carrying Costs/Governmental Expenditures (%) | 13.7 | 13.0 | 63% | 40% | | | |

(1) Model directly uses revenue volatility. Percentiles are for information only: metric percentile represents the issuer; composite percentile represents the average of the issuer's class. The Revenue Volatility metric represents the issuer's revenue volatility relative to the median revenue volatility of the total issuer portfolio.

Revenue Volatility is treated asymmetrically, where weight is marginal for issuers that exhibit low to moderate revenue volatility. For issuers with higher revenue volatility, this factor will moderately lower the metric profile, implying a somewhat reduced weighting for all other variables in these instances.

(2) Population, Concentration, MHI and Educational Attainment data is lagged by one year e.g. 2021 data is used and displayed for fiscal year 2022.

(3) Percentiles represent the class. Economic concentration is defined as the sum of the absolute deviation of the issuer from the national average proportion across major economic sectors.

(4) Additional Analytical Factors (AAF) have a potential notching range of +2/-2 for each of the three categories and an overall IDR notching range of +3/-3.

(5) County level data used for sub-county entities when the latest year's data is unavailable. If county data is unavailable, MSA data is used. MSA level data is used for cities that span multiple counties.

(6) As a proxy for per capita personal income for sub-county levels of local government, Fitch calculates the ratio of money income to per capita income for the county in which the rated entity is located and applies that ratio to the entity's money income. The estimated per capita personal income figure is multiplied by population to estimate total personal income.

Source: Fitch Ratings

## Financial Profile

### *Financial Resilience - 'aaa'*

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

- Revenue control assessment: Midrange
- Expenditure control assessment: Midrange
- Budgetary flexibility assessment: Midrange
- Minimum fund balance for current financial resilience assessment: >=15.0%
- Current year fund balance to expenditure ratio: 23.7% (2023)
- Five-year low fund balance to expenditure ratio: 19.5% (2023)

### Revenue Volatility - 'Strong'

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

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

- Lowest three-year revenue performance (based on revenues dating back to 2005): 0.4% decrease for the three-year period ending fiscal 2011
- Median issuer decline: -4.5% (2023)

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

Like all California local governments, Los Angeles County cannot raise taxes without a vote of the people, but revenue raising available from charges for services, fines and forfeitures, and licenses and permits results in midrange revenue raising. In addition, the county's voters have a strong history of approving revenue measures. Spending flexibility arises from the county's control over headcount and service levels.

The county operates within a strong labor environment, and labor has the ability to strike; however, the county has a track record of effective and productive labor relations. The county has reached three-year agreements with the vast majority of its collective bargaining units through fiscal 2025; these include moderate salary increases of 5.5% in October 2022 and 3.25% in October 2023 and 2024, as well as 2%-4% increases in fringe benefits.

### *Additional Insight*

The vast majority, or approximately 62% of the county's discretionary revenues (i.e. not state or federally subventions), are derived from property taxes. The county has increased its rainy-day reserve policy to 17% of discretionary revenue from 10%. As of fiscal 2023, the county's rainy-day reserve held about $979 million, equal to about 11% of discretionary revenues. The county plans and budgets funds to add to its rainy-day reserves.

## Demographic and Economic Strength

### *Population Trend - 'Weakest'*

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

Population trend: -0.0% 2022 median of 10-year annual percentage change in population (11th percentile)

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

The overall strength of Los Angeles County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2023 are assessed as 'Midrange' on a composite basis, performing at the 41st percentile of Fitch's local government rating portfolio. This is due to high education attainment levels offsetting midrange median-issuer indexed adjusted MHI and high unemployment rate.

- Unemployment rate as a percentage of national rate: 138.9% 2023 (16th percentile), relative to the national rate of 3.6%
- Percent of population with a bachelor's degree or higher: 34.6% (2022) (63rd percentile)
- MHI as a percent of the portfolio median: 97.1% (2022) (46th percentile)

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

Los Angeles County's population in 2022 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the fifth percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

- Population size: 9,719,765 (2022) (above the 15th percentile)
- Economic concentration: 15.5% (2023) (above the 15th percentile)

### *Additional Analytical Factors and Notching*

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

### *Additional Insight*

The size and diversity of the economy that underpins the county's tax base remains a credit strength. Fiscal 2024 represents the 13th consecutive year of tax base growth, with an almost 6% increase that brings assessed TAVs to over $1.93 trillion. The fiscal 2025 TAV gain is estimated at 4.75%. The county assessor has not made any changes to commercial office values despite elevated vacancy rates. Fitch expects Proposition 13 should mitigate any declines in TAV due to commercial office value declines that materialize in the near term. The county's unemployment rate has historically been higher than the nation's, a gap that was exacerbated by pandemic mitigation measures. The county's unemployment rate shot up to 20.3% in April 2020 from 4.6% in February 2020. Unemployment rates subsequently improved significantly; the county's unemployment rate in 2023 was 5.0%, moderately above the unemployment rates of the state (4.8%) and the nation (3.6%). Wealth indicators are below those of the state, but generally above or in line with those of the nation, reflecting the county's incorporation of some highly urbanized and low-income areas.

## Long-Term Liability Burden

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

Los Angeles County's carrying costs to governmental expenditures has improved while liabilities to personal income remain midrange and liabilities to governmental revenue remain strong. The long-term liability composite metric in 2023 is at the 66th percentile, indicating a somewhat lower liability burden relative to the Fitch's local government rating portfolio.

- Liabilities to personal income: 4.6% Analyst Input (58th percentile) (vs. 4.1% 2023 Actual)
- Liabilities to governmental revenue: 109.2% Analyst Input (81st percentile) (vs. 98.5% 2023 Actual)
- Carrying costs to governmental expenditures: 13.0% Analyst Input (63rd percentile) (vs. 13.7% 2023 Actual)

### *Pension Adjustments*

On an aggregate basis for all pension plans as of the most recent measurement date, the reported asset to liability ratio was 83.8%, or an estimated 72.5%, using Fitch's standard 6% rate of return adjustment. The Fitch-adjusted NPL was equal to $25,713.7 million, or about 3.6% of personal income.

### *Additional Insight*

In addition to the $223 million in lease revenue bonds issued to finance the Vermont Corridor (Site 2) project, the county plans to finance a portion of the cost of replacing its Harbor-UCLA Medical Center over the next three years. The total cost of the project is about $1.7 billion, with about $500 million in lease revenue bonds expected to be sold in the third quarter of 2024. Lease payments will be made by the Department of Public Health and the Department of Mental Health, though both departments are partially funded by the county's discretionary revenue. Despite the sizable planned issuances, the county's long-term liability position remains strong, with the long-term liability composite in the 66th percentile of Fitch's rated portfolio.

### *Analyst Inputs to the Model*

The state's Child Victims Act became effective on Jan. 1, 2020 and extended the statute of limitations for certain sexual abuse crimes against minors, allowing victims more time to file civil suits. The period to file such claims closed on Dec. 31, 2022. As of May 2024, the county had been served with more than 2,296 lawsuits covering the period from 1959 to 2019, with a currently estimated liability of over $3.0 billion. The county may use budgetary resources or judgment obligation bonds for as long as 20 years, or some combination thereof, to finance these obligations.

Direct debt has been adjusted to reflect the potential for an additional $3 billion in long-term debt in connection with the settlement of the lawsuits noted above, as well as to reflect principal amortized during fiscal 2024.

Direct debt from the 2024 series lease revenue bonds has also been added. Debt service has been adjusted to include estimated debt service from the 2024 series lease revenue bonds and the additional estimated debt service from a potential $3 billion in long-term debt to finance the settlements using 20-year amortization and a 5% interest rate. Pursuant to the criteria, the other post-employment benefit contribution has been reduced from the full contribution, including payments to the trust, to reflect just the benefits payment amount.

# ESG Considerations

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

## Financial Summary

| ($000, Audited Fiscal Years Ending Jun. 30) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| **General fund revenues** | | | | | |
| Property tax | - | - | - | - | - |
| Sales tax | - | - | - | - | - |
| Income tax | - | - | - | - | - |
| Other tax | - | - | - | - | - |
| Total taxes - undifferentiated | 6,034,742 | 6,321,404 | 6,894,825 | 7,161,038 | 7,643,986 |
| Intergovernmental | 10,224,347 | 10,932,846 | 12,957,099 | 12,664,511 | 13,804,835 |
| Other revenue | 3,292,002 | 3,723,849 | 3,431,218 | 3,037,119 | 3,772,616 |
| **Total** | **19,551,091** | **20,978,099** | **23,283,142** | **22,862,668** | **25,221,437** |
| | | | | | |
| **General fund expenditures** | | | | | |
| General government | 1,284,824 | 1,504,452 | 1,807,937 | 1,193,470 | 1,870,449 |
| Public safety | 5,893,865 | 6,130,313 | 6,149,194 | 6,330,770 | 6,720,622 |
| Educational | - | - | - | - | - |
| Debt service | 37,519 | 35,596 | 31,172 | 143,214 | 186,397 |
| Capital outlay | 1,586 | 1,052 | 1,134 | 58,841 | 341,816 |
| Other expenditures | 11,953,067 | 13,027,837 | 14,265,552 | 14,363,305 | 15,495,076 |
| **Total** | **19,170,861** | **20,699,250** | **22,254,989** | **22,089,600** | **24,614,360** |
| | | | | | |
| Transfers in and other sources | 981,144 | 984,358 | 964,071 | 1,116,185 | 1,537,383 |
| Transfers out and other sources | 822,556 | 1,178,412 | 1,577,304 | 1,205,323 | 1,279,057 |
| **Net transfers & other** | **158,588** | **-194,054** | **-613,233** | **-89,138** | **258,326** |
| | | | | | |
| Adjustment for bond proceeds and extraordinary one-time uses | - | - | - | - | - |
| | | | | | |
| Net op. Surplus (deficit) after transfers | 538,818 | 84,795 | 414,920 | 683,930 | 865,403 |
| Net op. Surplus (deficit)/(total expenditures + transfers out and other uses)(%) | 2.69 | 0.39 | 1.74 | 2.94 | 3.34 |
| | | | | | |
| Total fund balance | 4,434,009 | 4,518,804 | 4,933,724 | 5,617,654 | 6,483,057 |
| Unrestricted fund balance | 4,042,841 | 4,308,802 | 4,653,430 | 5,268,297 | 6,142,061 |
| Other available fund balances | - | - | - | - | - |
| **Total available unrestricted reserves (GF + other)** | **4,042,841** | **4,308,802** | **4,653,430** | **5,268,297** | **6,142,061** |
| Available reserves as % of spending (Adj for bond proceeds and other one-time uses) | 20.22 | 19.69 | 19.53 | 22.62 | 23.72 |

Source: Fitch Ratings, audited financial reports

## Long-Term Liability Burden ($000)

| ($000, Audited Fiscal Years Ending Jun. 30) | 2023 |
|---|---|
| Direct debt | 3,943,368 |
| Less: self-supporting debt | - |
| Net direct debt | 3,943,368 |
| Fitch adjusted NPL | 25,713,710 |
| **Net direct debt + fitch-adjusted net pension liabilities (NPL)** | **29,657,078** |
| | |
| Population | 9,663,345 |
| Per capita personal income | 74,142 |
| Estimated personal income ($000) | 720,740,528 |

| | |
|---|---|
| **Net debt + fitch-adjusted NPL/personal income (%)** | **4.1** |
| Total governmental revenues | 30,110,729 |
| **Net direct debt + fitch adjusted NPL as percentage of governmental revenue (%)** | **98.49** |
| | |
| Debt service (net of state support) | 493,960 |
| Actuarially determined pension contributions | 2,216,111 |
| Actual OPEB contributions | 1,154,487 |
| Total governmental expenditures | 28,320,858 |
| **Carrying costs/governmental expenditures (%)** | **13.65** |

Note: Figures above do not reflect any Analyst Input Adjustments.
Source: Fitch Ratings, audited financial reports , US Census Bureau, US Bureau of Economic Analysis (BEA)

## Summary

| Description | Final Value |
|---|---|
| **Budgetary flexibility assessments** | |
| **Revenue control assessment** | Midrange |
| **Expenditure control assessment** | Midrange |
| Collective bargaining and resolution framework | Midrange |
| Workforce outcomes | Midrange |
| Cost drivers | Midrange |
| | |
| **Metrics assessments** | |
| Financial profile - financial resilience | aaa |
| Financial profile - revenue volatility | Strong |
| Demographic & economic strength - trend | Weakest |
| Demographic & economic strength - level | Midrange |
| Demographic & economic strength - concentration & size | Strongest |
| Long-term liability burden | Strong |
| | |
| **Metric profile mapping** | AA+ |
| **Metric profile** | 9.15 |
| | |
| **Additional analytical factors** | |
| **Total notching - capped** | **1** |
| | |
| **Financial profile** | |
| Fiscal oversight | |
| Revenue capacity | |
| Contingent risks | |
| Non-recurring support or spending deferrals | |
| Political risks | |
| Management practices | |
| | |
| **Demographic & economic strength** | **1** |
| Economic and institutional strength | 1 |
| Revenue concentration risks | |
| School district resources | |
| | |
| **Long-term liability burden** | |
| Pension funding assumptions | |
| Pension contributions | |
| OPEB | |
| Debt structure | |

| | |
|---|---|
| Capital demands and affordability | |
| | |
| **Model implied rating - mapping** | AAA |
| **Model implied rating - metric** | 10.15 |
| | |
| **Outliers and developing situations considerations** | No |
| **Notching rationale - 1** | |
| **Notching rationale - 2** | |
| | |
| **Issuer default rating/issuer default credit opinion** | AAA |

Source: Fitch Ratings

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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