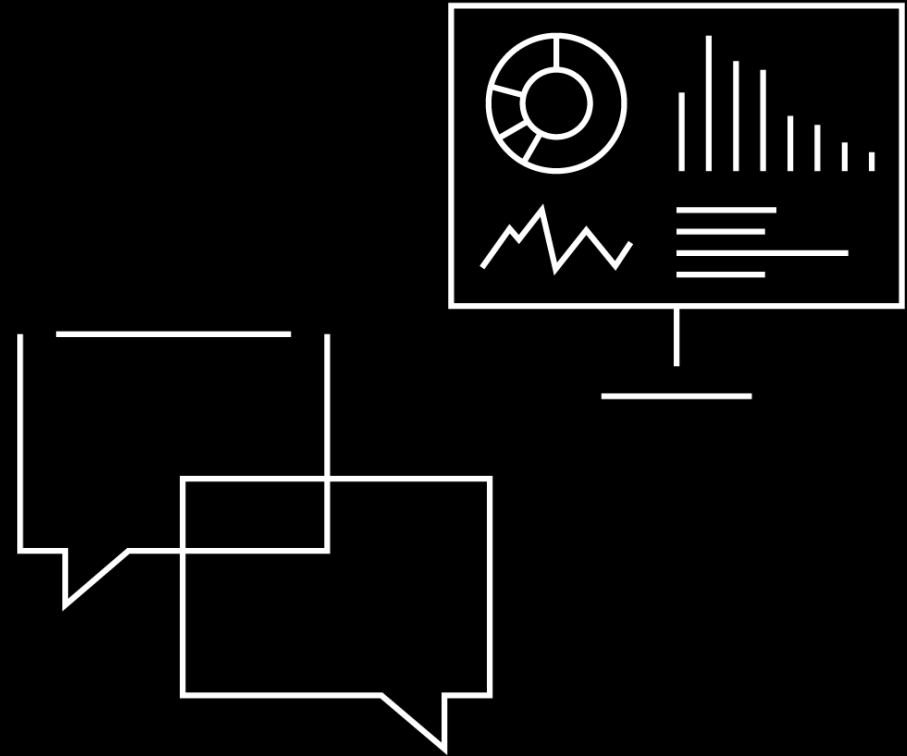


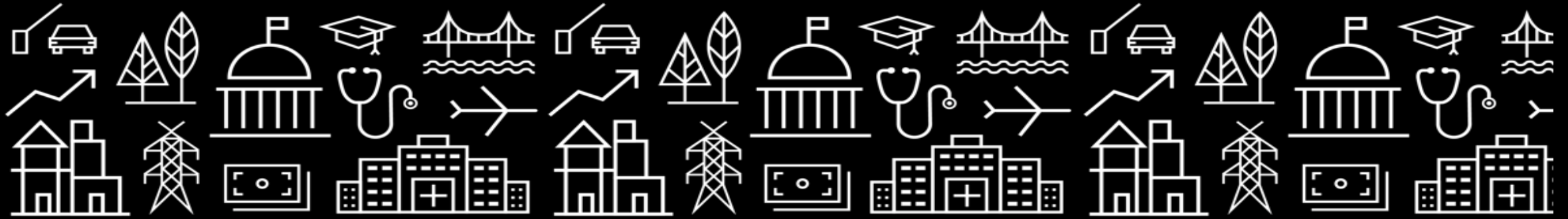
Florida Government Finance Officers Association

Rating Agency Updates

Jennifer Garza
Director
U.S. Local Governments

June 17, 2026



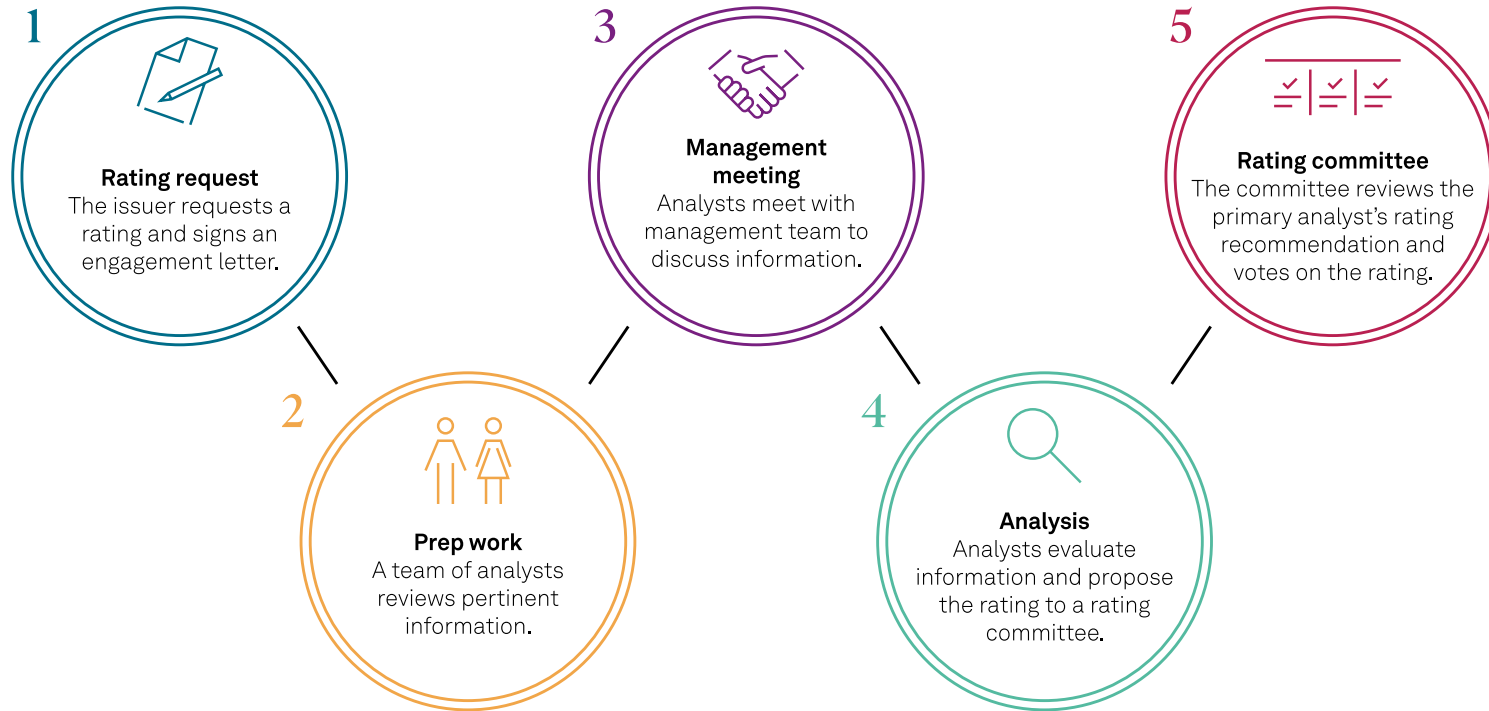


Agenda

- 1. Overview of the Ratings Process**
- 2. Local Government Sector Outlook**
- 3. Florida Local Government Credit Factors**

The Ratings Process – Steps 1-2

S&P Global Ratings' process to committee (steps 1-5)



Rating Request

1. Best practice (but not required) is to send along the following information during the initial Rating Request:
 - i. Transaction Documents:
 - Preliminary Official Statement, Legal Documents, Cash Flows, etc.
 - ii. Issuer Specific Information:
 - 3 Years of Audited Financials, Latest Budget, Links to Financial Policies and Practices, etc.

We need sufficient documentation 10-15 days prior to rating release

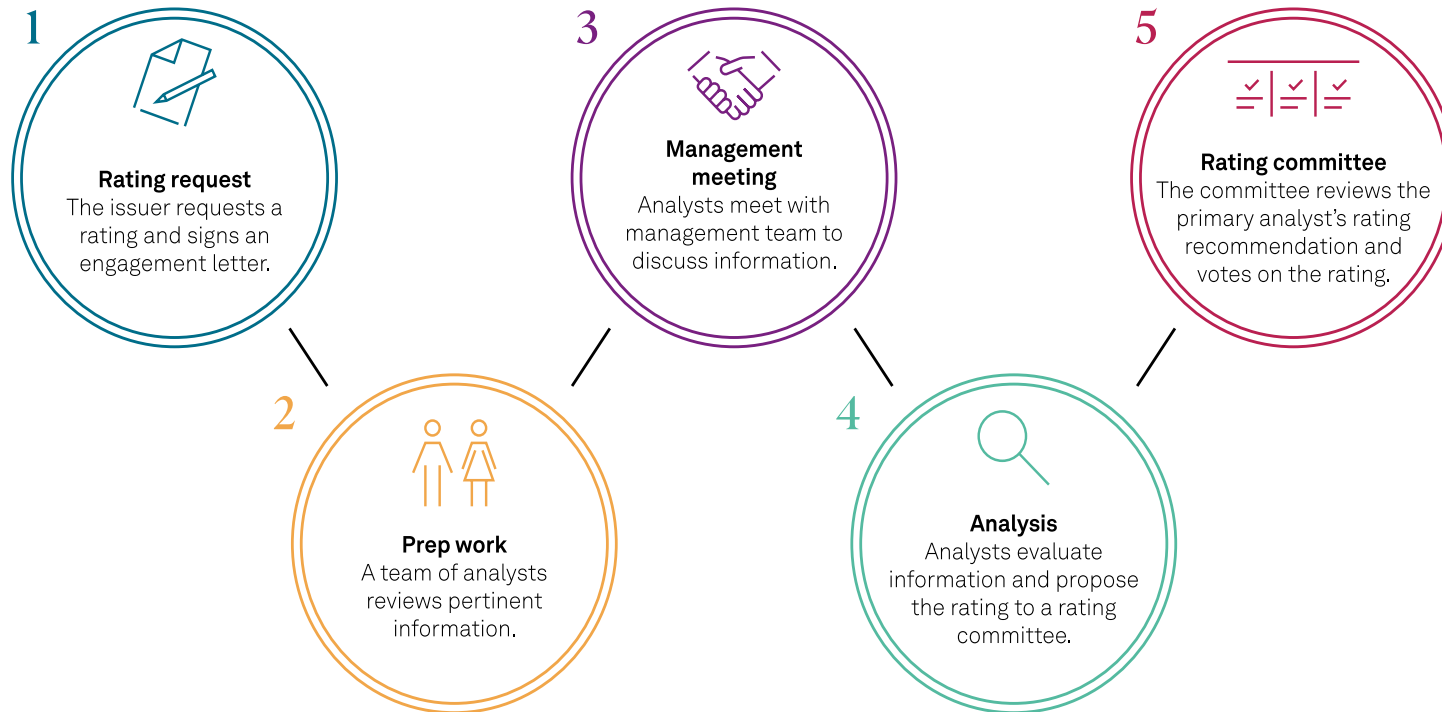
Prep Work

1. Our preparation leading up to the Management Meeting is guided by the documents submitted upon request.
2. If the analyst has specific questions or is searching for additional documentation, they provide those requests prior to the management meeting through an agenda or questionnaire.

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The Ratings Process – Steps 3-5

S&P Global Ratings' process to committee (steps 1-5)



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Management Meeting

1. The meeting provides valuable forward-looking qualitative information and supplements the quantitative portion of our criteria.
2. This is great time to send all the exciting news surrounding your government! Please share economic development announcements, strategic plans, or whatever else you find pertinent to the credit rating.

Analysis

1. After the management meeting, the analysts prepare to present to a rating committee. This may require additional follow up items or documentation requests.

Rating Committee

1. By this stage, all relevant information provided is presented to the rating committee.
2. The committee, using the appropriate sector and security criteria, discusses the attributes of the issuer's credit quality, and determines the rating and outlook

The Ratings Process – Steps 6-7

Notification

1. After notification of the rating outcome, the primary analyst will send a draft rating report to the issuer to review before publication.
2. This review is not for editorial purposes, but to give the issuer the opportunity to identify anything included in the report that it considers to be a factual error, misleading statement, or an inadvertent disclosure of confidential information.

Publication

1. After we receive and evaluate the issuer's feedback, and incorporate it as we see fit, we release the rating and publish the report. We typically prefer to publish the report within the same business day as we provide the draft, so that confidential information is not outstanding overnight.

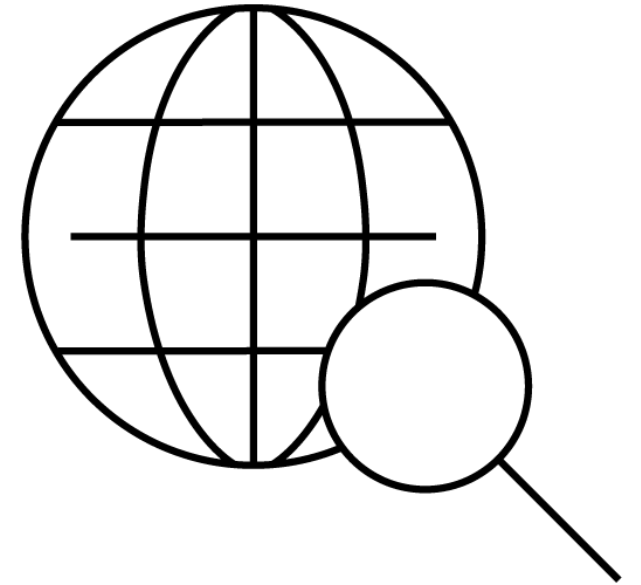
S&P Global Ratings' process post-committee (steps 5-9)



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Surveillance

- The rating relationship continues after the credit report is published and the rating is shared with the market. S&P Global Ratings has an obligation to the market to maintain a current rating. In order to do this, the issuer is required to provide updated information through the life of the bonds.
- The S&P Global Ratings' team will review all provided info and from time to time might contact the issuer with questions or to schedule a surveillance update focused management meeting.
- Our data teams use Electronic Municipal Market Access (EMMA) and your websites to find the latest financial information. You can also provide documents electronically to pubfin_statelocalgovt@spglobal.com
- When applicable, please submit direct placement or privately purchased debt obligations to the last analytical team.



U.S. Local Governments | What We're Watching



Fiscal federalism under pressure

Policy shifts and changes continue to negatively affect states and, by extension, local governments.



Economic and demographic trends

Weaker GDP growth and slowing population momentum exacerbate other pressures.



State credit health shapes local fiscal landscape

If states balance their own budgets through cuts to locals, not all LGs will escape credit deterioration.



Climate

A shrinking federal role in disaster recovery and resilience will force exposed state and local governments to spend more, or face growing fiscal and economic risks.



AI and digital infrastructure

Data centers bring both risk and opportunity; Balancing the two will be tricky, especially for small, rural locals competing for development



Wild cards

- Limited appetite for higher taxes.
- Stress on LGs from public hospitals and utilities with weakened operations.

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S&P Global Ratings | U.S. Economic Forecast

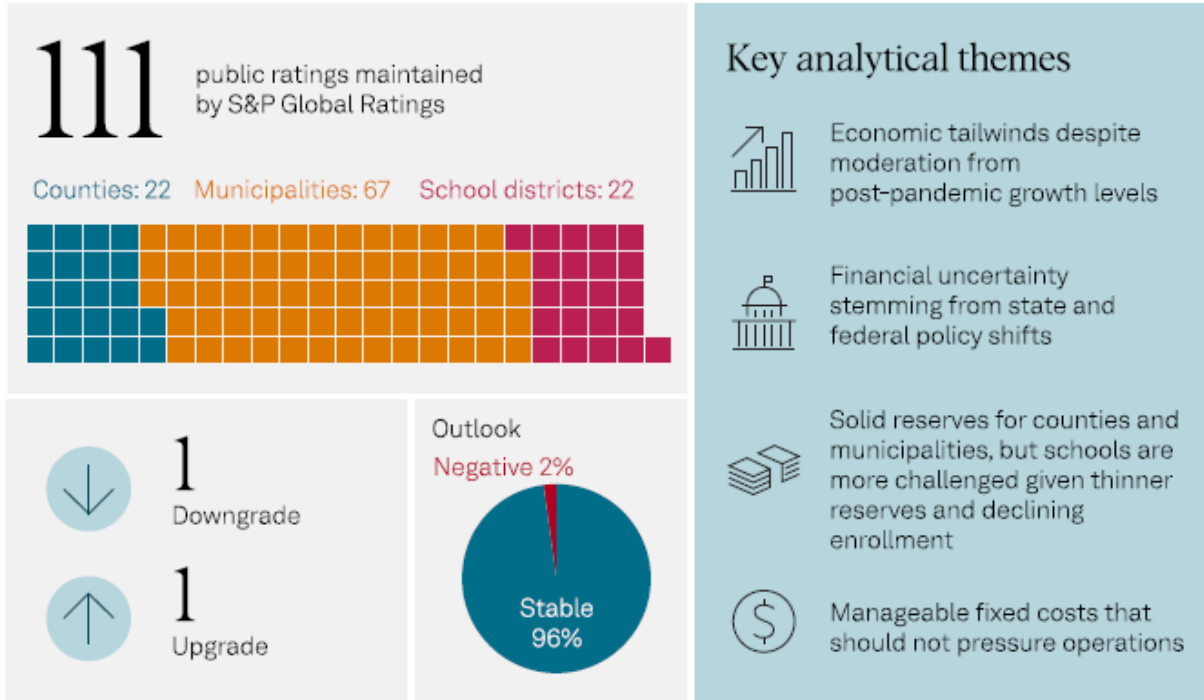
March 2026							
Key indicator	2023	2024	2025f	2026f	2027f	2028f	2029f
Real GDP ((annual average % change)	2.9	2.8	2.1	2.2	2	1.8	1.9
change from November (ppt.)	0	0	0.1	0.2	0.1	0	
Consumer spending ((annual average % change)	2.6	2.9	2.6	2.2	1.8	1.8	2
Private nonresidential fixed investment (annual average % ch	7.3	2.9	4.1	3.3	2.4	2.6	3
Private residential investment ((annual average % change)	-7.8	3.2	-2.1	-1.1	2.1	2.3	2.2
Government spending ((annual average % change)	3.5	3.8	1.2	-0.2	0.3	-0.6	-0.1
CPI ((annual average % change)	4.1	3	2.7	3.2	2.4	2.4	2.1
Core CPI ((annual average % change)	4.8	3.4	2.9	2.7	2.5	2.4	2.1
Unemployment rate (%)	3.6	4	4.3	4.4	4.6	4.5	4.4
Housing starts (mil.)	1.42	1.37	1.36	1.34	1.35	1.37	1.36
Light vehicle sales (mil.)	15.5	15.9	16.2	15.7	16	16.1	16.2
10-year Treasury (%)	4	4.2	4.3	4	3.8	3.7	3.8
Federal funds rate (%)	5	5.1	4.2	3.6	2.8	2.9	3.1

Note: All percentages are annual averages, unless otherwise noted. Core CPI is consumer price index excluding energy and food components

[Economic Outlook U.S. Q2 2026: Curb Your Enthusiasm](#)

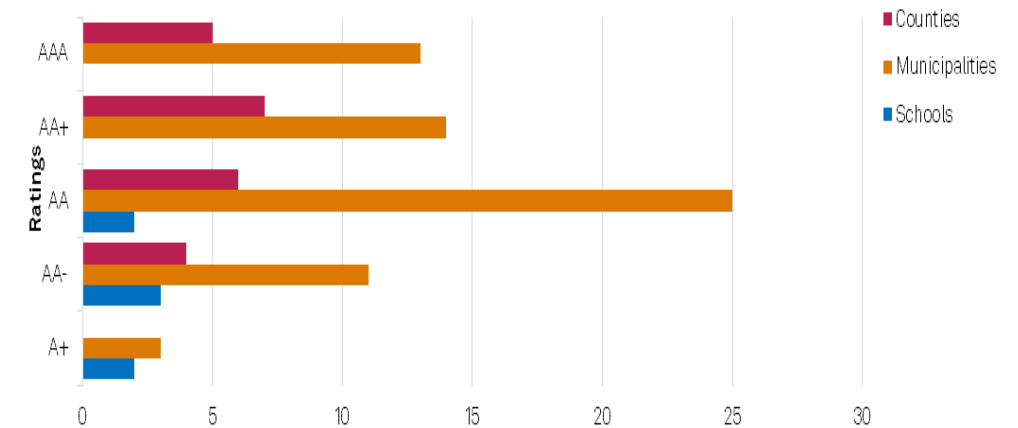
Florida Local Government Credit Factors

Florida counties, municipalities, and school districts | By the numbers



Data as of June 3, 2026. Source: S&P Global Ratings.
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Florida School, Municipalities, and Counties General Obligation Rating Distribution



Source: S&P Global Ratings.

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Florida Local Governments | What We're Watching

Credit Fundamentals

- ❑ Steady economic gains across the state bolstered by resilient housing demand, strong population growth, and a favorable business climate, along with Florida incomes and GSP both projected to outpace U.S. incomes and GDP in the next four years, according to SPGMI
- ❑ Positive financial performance over the past three years fueled by steady revenue growth and conservative budgeting practices, with operating results averaging 4.9% for counties, 6.3% for municipalities, and 0.3% for school districts.
- ❑ Healthy reserve levels available to help offset potential economic slowing or severe weather events (such as hurricanes), with general fund reserves at 40% of revenue for rated counties, 44% for rated municipalities, and 10% for rated school districts
- ❑ Relatively low pressure from fixed costs, such as debt and pension obligations, supporting our view that outsized long-term liabilities are unlikely to create significant operational pressure.

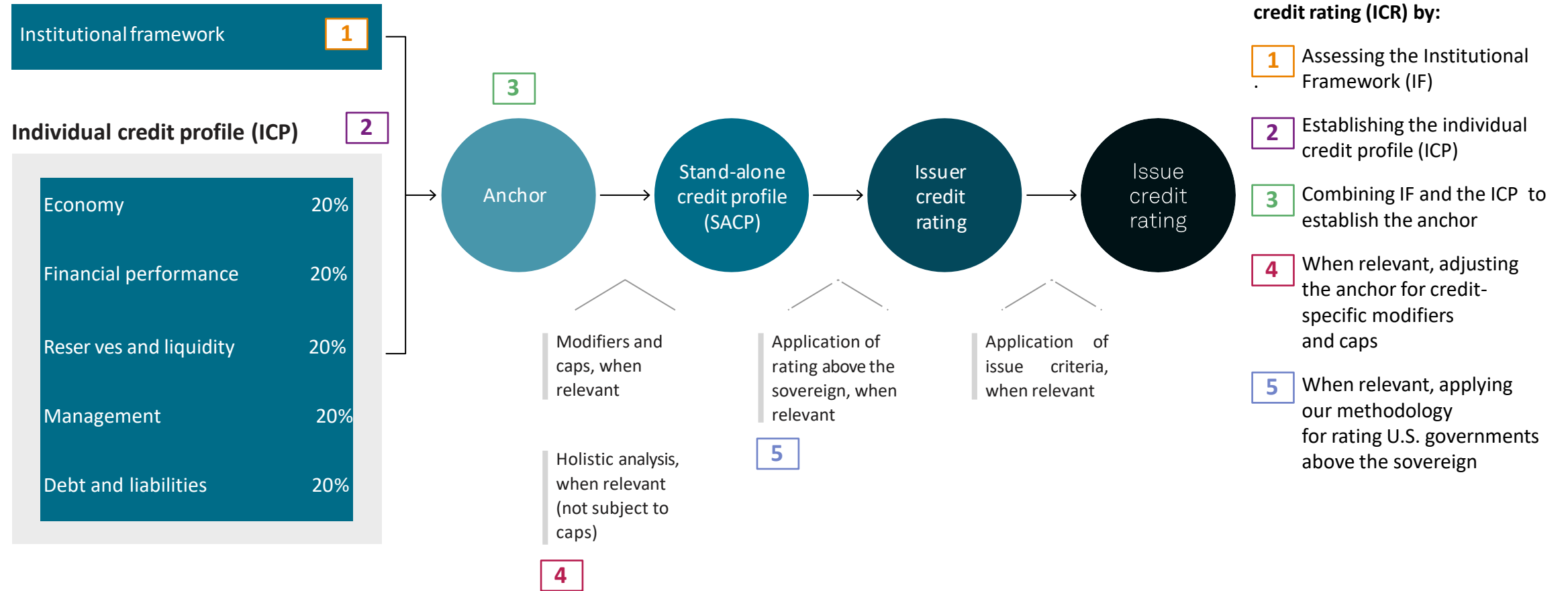
Potential Challenges

- ❑ A proposed constitutional amendment for property tax reform recently passed by Florida Legislature and that will go before voters in November 2026, which could meaningfully affect LGs' operations. The proposed amendment will be subject to approval by 60% of voters.
- ❑ School districts' declining enrollment stemming from lower birth rates, the growing presence of private and charter schools and federal immigration policy.
- ❑ Outsized pressure regarding chronic and acute physical risks stemming from extreme weather- and climate-related changes, requiring adequate disaster recovery-related reserves as well as mitigation and adaptation planning.

Appendix

The Analytical Framework

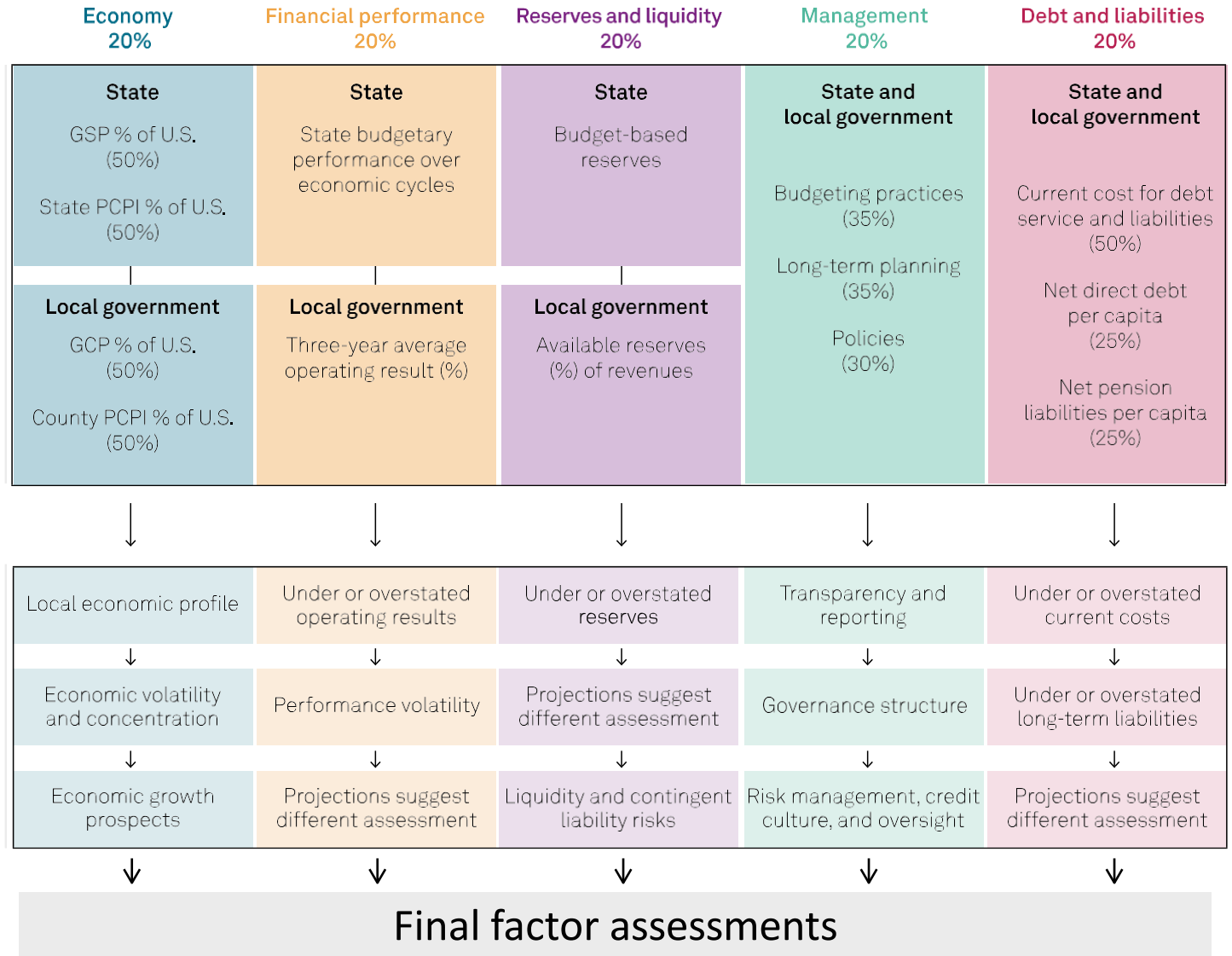
Framework for ratings U.S. governments



Framework For Establishing The Individual Credit Profile (ICP)

Step 1: Establish initial assessment

Step 2: Apply qualitative adjustments



GSP--Gross state product. GCP--Gross county product. PCPI--Per capita personal income.

Institutional Framework

- The IF is the set of formal rules and laws, practices, customs, and precedents that shape the environment in which governments operate.
- We assess the IF by state and government type (i.e. states, counties, municipalities, schools).
- When the legal or practical environment for a specific local government differs from the norm in its state (portfolio assessment), we will assess accordingly.

Predictability (25%)

The ability of a government to forecast its revenues and expenditures

Revenue/expenditure balance and system support (50%)

The ability of a government to finance the services it provides, and the degree of ongoing and exceptional support from a higher-level government

Transparency and accountability (25%)

The comparability of a government's relevant financial information

Institutional Framework - Florida Local Governments

Overall assessment (100%)

MUNICIPALITY

2

COUNTY

2

SCHOOL DISTRICT

2

Assessment broken down by weighted subfactors

Predictability (25%)	2	Transparency/ accountability (25%)	1
Revenue and expenditure balance, system support (50%)		2	

Predictability (25%)	2	Transparency/ accountability (25%)	1
Revenue and expenditure balance, system support (50%)		2	

Predictability (25%)	2	Transparency/ accountability (25%)	1
Revenue and expenditure balance, system support (50%)		2	

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