FitchRatings

RATING ACTION COMMENTARY

Fitch Upgrades Cuyahoga County, OH's IDR to 'AAA'; Outlook Stable

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Fitch Ratings - Chicago - 16 Jun 2026: Fitch Ratings has upgraded Cuyahoga County, OH's Issuer Default Rating (IDR) and outstanding various limited tax general obligation (GO) bond ratings to 'AAA' from 'AA+'.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Cuyahoga County (OH) [General Government]	LT IDR	AAA Rating Outlook Stable	Upgrade	AA+ Rating Outlook Positive
Cuyahoga County (OH) /General Obligation - Limited Tax/1 LT	LT	AAA Rating Outlook Stable	Upgrade	AA+ Rating Outlook Positive

VIEW ADDITIONAL RATING DETAILS

The upgrade of the county's ratings to 'AAA' reflects sustained growth in its underlying economic and demographic metrics, which Fitch expects will enable the county to absorb its manageable future debt plans. Although the county nearly doubled its net direct debt with a large issuance in May 2026, the county's long-term liability composite remains 'Midrange'. Future borrowing plans are limited to renovations to two county buildings.

The ratings also incorporate the county's 'aaa' financial resilience assessment, supported by 'Midrange' budget flexibility and Fitch's expectation that unrestricted general fund reserves will remain at or above 15% of general fund spending. The rating also includes a +1 notch Additional Analytical Factor, reflecting the county's central role in the Cleveland-Elyria MSA, which accounts for 0.7% of U.S. GDP.

RATING SENSITIVITIES

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

--A sustained decline in general fund reserves below 15% of spending and transfers out, which would lower Fitch's assessment of financial resilience to below 'aaa';

--An approximate 5% increase in long-term liabilities, assuming current levels of personal income, governmental resources and spending.

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

--Not applicable given the 'AAA' rating.

SECURITY

The bonds are unvoted long-term general obligations payable from ad valorem taxes levied on all taxable property within the 10-mill limitation imposed by Ohio law.

FITCH’S LOCAL GOVERNMENT RATING MODEL

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).

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.

RATINGS HEADROOM & POSITIONING

Cuyahoga County Model Implied Rating: 'AAA' (Numerical Value: 10.07)

-- Metric Profile: 'AA+' (Numerical Value: 9.07)

-- Net Additional Analytical Factor Notching: +1.0Individual Additional Analytical Notching Factors:

-- Economic and Institutional Strength: +1.0

Cuyahoga County's Model Implied Rating is 'AAA'. The associated numerical value of 10.07 is at the lower end of the range for a 'AAA' rating.

KEY RATING DRIVERS

FINANCIAL PROFILE

Financial Resilience - 'aaa'

Cuyahoga 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: 39.7% (2024)

-- Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024: 39.7% (2024)

Revenue Volatility - 'Midrange'

Cuyahoga County's weakest historic three-year revenue performance has a modest negative impact on 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): 7.4% decrease for the three-year period ending fiscal 2011

-- Median issuer decline: -4.6% (2024)

DEMOGRAPHIC AND ECONOMIC STRENGTH

Population Trend - 'Weakest'

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

Population trend: -0.4% 2023 median of 10-year annual percentage change in population (3rd percentile)

Unemployment, Educational Attainment and MHI Level - 'Midrange'

The overall strength of Cuyahoga County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Midrange' on a composite basis, performing at the 50th percentile of Fitch's local government rating portfolio. This is due to high education attainment levels and midrange unemployment rate offsetting low median-issuer indexed adjusted MHI.

-- Unemployment rate as a percentage of national rate: 95.3% Analyst Input (53rd percentile) (vs. 97.5% 2024), relative to the national rate of 4.0%

-- Percent of population with a bachelor's degree or higher: 36.5% Analyst Input (67th percentile) (vs. 35.9% 2023 Actual)

-- MHI as a percent of the portfolio median: 87.9% Analyst Input (30th percentile) (vs. 90.3% 2023 Actual)

Economic Concentration and Population Size - 'Strongest'

Cuyahoga County's population in 2025 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 5th 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: 1,232,925 Analyst Input (above the 15th percentile) (vs. 1,234,796 2023 Actual)

-- Economic concentration: 19.7% Analyst Input (above the 15th percentile) (vs. 18.3% 2024 Actual)

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

The county is a key component of the Cleveland-Elyria MSA, an important regional economic center that accounts for 0.7% of U.S. GDP, based on Bureau of Economic Analysis data, and supports total employment of approximately 1.1 million, according to Bureau of Labor Statistics data. Although the county has seen population declines over the longer term and yoy population losses since 2020, employment stability has been a mitigating factor. Major county employers include the Cleveland Clinic, University Hospital Health System, U.S. Office of Personnel Management and Progressive Corporation.

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Fitch utilized the most current demographic and economic data available.

LONG-TERM LIABILITY BURDEN

Long-Term Liability Burden - 'Midrange'

Cuyahoga County's liabilities to personal income and liabilities to governmental revenue have deteriorated while carrying costs to governmental expenditures remain midrange. The long-term liability composite metric in 2024 is at the 60th percentile, roughly in line with Fitch's local government rating portfolio.

-- Liabilities to personal income: 3.2% Analyst Input (73rd percentile) (vs. 2.3% 2024 Actual)

-- Liabilities to governmental revenue: 172.8% Analyst Input (52nd percentile) (vs. 121.8% 2024 Actual)

-- Carrying costs to governmental expenditures: 14.3% Analyst Input (53rd percentile) (vs. 12.1% 2024 Actual)

Analyst Inputs to the Model

The adjustment made to direct debt reflects the issuance of debt in fiscal 2026 and netting out debt amortized through the end of fiscal 2025. Carrying costs include estimated new issuance debt service.

PROFILE

Cuyahoga County in northeastern Ohio contains Cleveland and anchors its regional economy, with strengths in healthcare, advanced manufacturing, financial services, and logistics. It is Ohio's second-most populous county, with a population of around 1.2 million.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Cuyahoga County (OH).

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.

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PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Public Finance Local Government Rating Criteria (pub. 01 May 2026) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Cuyahoga County (OH)	EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

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